UNIVERSITY OF
CHARLESTON LIBRARY
1700024463

327
M61d

3768

PROPERTY OF
MORRIS HARVEY COLLEGE
LIBRARY

3768

Date Due

MAR 18 1932

~~MAR 18 1932~~

DEMOCRACY
AND THE
EASTERN QUESTION

Digitized by the Internet Archive
in 2026

https://archive.org/details/democracyeastern0000thom

DEMOCRACY
AND THE
EASTERN QUESTION

THE PROBLEM OF THE FAR EAST AS DEMONSTRATED BY THE GREAT WAR, AND ITS RELATION TO THE UNITED STATES OF AMERICA

THE UNIVERSITY OF THE STATE OF NEW YORK
DIVISION OF LIBRARY EXTENSION
THIS BOOK HAS BEEN DISCARDED
FROM THE TRAVELING LIBRARIES

BY

THOMAS F. MILLARD

Author of "Our Eastern Question," "The New Far East," "America and the Far Eastern Question," etc.

DISCARD

NEW YORK
THE CENTURY CO.
1919

Copyright, 1919, by
THE CENTURY CO.

Published, May, 1919

327
M61d

3768

CONTENTS

CHAPTER PAGE

I The Issue 3

The problem as posed in the East—The issue the same as in Europe—Militarism *versus* democracy—Hopes of the democratic peoples of Asia—Causes of war in the far East—Dr. Charles Eliot's report—Dangerous tendencies—Protagonists of the new order—Viscount Grey on a league of nations—Relation of the Eastern question to a league—The opposing theory—Marquis Okuma on diplomacy—Craft and secrecy its requisites—Okuma and Bernhardi—Japan and the question of alliances—Japan and the spoils of war—Dr. Nitobe's opinions—The Anglo-Japanese Alliance—Its relation to a league of nations—Proposed by Germany—Reasons for the alliance analyzed—Alliances and the causes of war—The war cloud in the far East—Need for measures to prevent war—The problem and the United States—Essence of the problem.

II The Real Character of Japan 16

Creation of modern Japan—Myth and fable—The parallel with modern Germany—The cult of emperor divinity—Invention of a new religion—Japan's historical background—Bushido a recent fabrication—Divine origin of the Japanese nation—The military autocracy—A replica of Prussianism—Why Japan has mystified the West—Japanese language a screen—Evolution of Japanese view of the West—Foreign patronage now resented—Exclusion of "dangerous thoughts" from Japan—American Constitution in that category—A striking incident—Dilemma of Christianity in Japan—Trying to reconcile it with emperor divinity—Japan's constitutional forms—Throne not responsible to people—All rights rest in throne—Japan and democracy—Liberal ideas not tolerated—A theocratic state—The Government and industry—Japan's efficiency—State of administration in Japan—Government of Japan's dependencies—Formosa and Korea—A Korean appeal—Status of foreigners in Japan—The so-called liberal elements—Downfall of the bureaucracy predicted—Japan's foreign propaganda—Some illustrations—Japan after the war—Attitude toward league of nations—Question of armaments—Time required for reform.

III Japan's Policy in the Great War 48

A devious course—A policy of opportunism—How it was circumscribed—Japan's rating of other nations—"Powers" and lesser nations—America not a "power"—Why Japan entered the war—Not so obligated by Anglo-Japanese Alliance—No quarrel with or hostility to Germany—Japan's forehandedness in declaring war—Her motives analyzed—Periods of Japan's war policy—Its various motivations—Governed by expediency and opportunity—Lessons of the war—Making Japan's army and navy obsolete—How foreigners in the East view Japan—Destruction of former international standards—The anti-British agitation in Japan—Control of publicity by the Government—Secret diplomacy in wartime—The secret treaty with Russia—Putting pressure on her allies—Using the German entente possibility—Oblique methods—The veto of events—Entrance of America in the war—The Russian revolution—A German-Russo-Japanese entente—Count Terauchi's views—Baron Goto's opinions—Pro-German sentiment in Japan—Japan's position at the peace conference—What she really wants—Fear of political and moral isolation—The question of Kiao-chou.

THE UNIVERSITY OF THE STATE OF NEW YORK
DIVISION OF LIBRARY EXTENSION
104284
THIS BOOK [illegible] DISCARDED
FROM THE TRAVELING LIBRARIES

CHAPTER PAGE

IV CHINA AND THE WAR 84

Sentiments of Chinese about the war—Apprehension of Japan—Efforts to preserve China's neutrality and territorial integrity—The first proposal—Outline of the situation—China's rights and wishes disregarded—Japan's ultimatum to Germany—China's sovereignty ignored—Great Britain's attitude—Position of the United States—Japan's overrunning of Shantung—The next move—Japan's twenty-one demands—Her oblique course—The "Agreement" forced upon China—China's protest—Statement by the United States—Dilemma of the Chinese Government—China's first offer to join the Allies—Its discouraging reception—China's second offer to join the Allies—Conditions of this offer—Plan blocked by Japan—Irritation of Japanese press—Japan's attitude defined.

V CHINA AND THE WAR—(*Continued*) 102

China's position in 1916—Chinese sentiment about the war—No tangible reason to fear Germany—Real fear of Japan—Suspicion of the Allies—The United States takes a hand—Influence of America at Peking—Invitation to China to sever relations with Germany—Diplomatic situation caused by this proposal—How the powers stood—The attitude of Japan—Sounded by Russia—Some secret correspondence—What Japan wanted—British and French influence—Japan's oblique course—China's internal situation—The United States advises China—Questions raised by this action—Irritation of Japan—Misrepresenting the issue—Japan-American relations—Meaning of Root-Takahira agreement—Japan's anti-American propaganda in China—Some examples—The analogy of Korea—The Chinese point of view—Shifting of Japanese attitude—Advantages to China in declaring war—Effort to detach China from America—China declares war—Her action analyzed—New turn to events.

VI CHINA AND THE WAR—(*Continued*) 136

Shift of Japan's diplomatic strategy—Efforts to establish special position in respect to China—Analysis of the paramountcy and special position doctrine—Purpose of the Ishii mission to America—China disturbed by factional strife—The abortive monarchy revival—Return to power of Tuan Chi-jui—Financed by Japan—The loan question—Obstacles to American loans—The banking group method—Dangers of the old system—Japan's violation of the group agreement—China's desire to participate in the war—Effort to obtain funds from America—Opposition of Japan to China's participation—Reasons for this opposition—Japan *versus* the Western powers—A delicate question—Japan's plan to control China's military organization—Some confidential despatches—The Lansing-Ishii Agreement—What it meant—Motives of the parties to it—Was Japan flirting with Germany?—Text of the agreement.

VII CHINA AND THE WAR—(*Concluded*) 154

The Lansing-Ishii Agreement—Its premature publication by Japan—Uneasiness caused by it—My letter to Mr. Lansing—Dangers of the incident—Might alienate both China and Japan—Had China been traded off?—Was the agreement a bribe to Japan?—Need to counteract first impressions—Japan violates the "gentlemen's agreement"—Agreement given publicity at Peking—Reason's for Japan's procedure—A difference of translations—What does "special interests" mean?—The American version—China repudiates the agreement—Cryptic character of the instrument—Its effects in the far East—Japanese propaganda and the agreement—Criticisms of a Chinese—The doctrine of territorial propinquity—Its dangers—What was the American Government's object?—Further analysis of the agreement—Its legal aspects—Which is the correct interpretation?—American interpretation probably the best—International psychology of the agreement—Possible motives of the United States—Putting world pressure on Japan—Japan's opportunity.

CHAPTER PAGE

VIII THE CORRUPTION OF A NATION 174

Increase of Japan's influence in China—The revised Japanese policy—Its motives and methods—China's wish to participate in the war—How it was defeated—American loan refused—Effects of this refusal—Corruption of Chinese officials—Getting control of the Government—The War Participation Board—The military agreement—Advent of Nishihara—The orgy of loans—Japan's two-faced policy—Attitude of other powers—The rake's progress—Sowing seeds of internal dissension—Japan in Shantung—Establishment of civil administration there—Protests of the Chinese inhabitants—The question analysed—Japan's objects revealed—Forced sale of Chinese lands—Fraudulent seizure of mines—Survey of Japanese "penetration" of Tsinan-fu—Brothels and drug shops—Where the money came from—Refastening the opium trade on China—Japan's illicit trade in morphia—How the trade is conducted—Explanations of the Japanese Government—Exploiting the Chinese bandits.

IX CHINA AND ECONOMIC IMPERIALISM 221

Definition of economic imperialism—Its relation to international affairs—Its working method—War causing elements of the system—Its application to China—Beginning of foreign trade with China—Development of strategical phases—The "sphere of influence" idea—Dangerous phases—Prevision of John Hay—The Hay Doctrine—Its outward acceptance by the powers—Private agreements based on the "sphere" thesis—Recrudescence of the "sphere of influence" practice—Due to Japan's policy—War provided Japan's opportunity—Japan's fear of American influence—A flank movement—The Shibusawa plan—The "cooperation" idea—Its real purpose exposed—How it was contrary to traditional American policy—How it was invidious to China—China's situation—Dangers inherent with the coöperation plan.

X CHINA AND ECONOMIC IMPERIALISM—(*Concluded*) . 238

Blindness of Americans to certain conditions—Applying lessons of the Great War—Relation of militarism to economic imperialism—Some aspects of American trade in China—Effects of the "hyphen" in foreign trade—Fallacy of the Shibusawa plan—A remarkable letter—Why Americans in China are anti-Japan—Japan and China contrasted—First and later impressions—Coordination of Japanese political and commercial methods—A strong arraignment of Japan—Her recent course in China indicted—How the Chinese are impressed—Seeming inconsistency of Allied professions and policy—Implication of America's weakness—Japan's anti-Allied propaganda—The coming reaction—Japan's unpopularity with the Chinese—How it may affect post-war business—Japan's capital in China is force—The moral issue—Effects of the cooperation idea on American trade in China—Its military aspect.

XI THE OPEN-DOOR POLICY 256

Definition of the open door—Talk with Viscount Motono—China, Japan and America—Monroe Doctrine and Hay Doctrine compared—Their principles identical—The Japanese Monroe Doctrine for China—False analogies—Causes for failure of the Hay Doctrine—Nullified by private agreements—Japan and the open door—Manchuria a test case—Japan's discriminations there—Spy and police systems—Making it unpleasant for other foreigners—Influence over Chinese officials—Reactions from the Lansing-Ishii agreement—Japanese interpretation accepted—Special antagonism to Americans—Incidents showing Japanese contempt for Europeans—Case of British woman missionary—Japan exercising sovereign authority—Summary of methods handicapping American trade in Manchuria and Shantung—The mail and shipping matters—Views of American organizations.

CHAPTER PAGE

XII THE SIBERIAN QUESTION 283

Siberia and the Eastern question—Their close relation—Developments after Russia's collapse—Japan and intervention—The attitude of Russians—The propaganda for intervention—Japan's sounding of the Allies—Attitude of France—Great Britain's attitude—Japan and Germany—Danger of a combination—The interests of China—The menace to China—Japan's proposal to intervene exclusively—Motives of Great Britain and France—Effort to obtain America's assent—A flood of propaganda—America's interest analyzed—Importance of protecting democratic peoples—Territorial proximity—The old diplomacy at work—Suspicion of Japan—Rejection of the one-nation plan—Change of Japan's attitude—Conversion from asset to liability.

XIII THE SIBERIAN QUESTION—(*Concluded*) . . . 297

Effects of the Russian Revolution—Its extension to the East—The position of Siberia—How it differed from Russia in Europe—China's close relation to the question—The Chinese Eastern Railway—Disorders in Manchuria—Political elements analyzed—Different motives—Japan's selfish policy—The German influence—Various Russian factions—Collapse of Russian authority in Manchuria—China forced to act—Japan's fear of America—A secret diplomatic note—Japan, Russia, and Germany—Japan seeking for advantage—Proposals to Russian groups—Backing different factions—Secret anti-American propaganda—Some examples of this—The American intervention plan—Japan and the Chinese Eastern Railway—Obstruction of the Allies—Rushing Japanese troops into Manchuria—Usurpation of China's prerogatives—The Manchuli incident—Attitude of Japanese toward other allies—Incident at Changchun—The armistice and after.

XIV THE SOLUTION 325

Effects in China of the collapse of Germany—The internal situation—Composition of the Government—Japan forcing her schemes—The armistice—Weakening of Japanese influence at Peking—Some causes of this—Injection of American ideals—President Wilson's principles—Their application to China—Work of American propaganda—Japan's plan to represent China at the peace conference—The scheme blocked—Uneasiness of Chinese—The Southern point of view—Further effort by Japan to intimidate China—Effort to prevent the publication of secret treaties—Outcome of that matter—Further advice of the Allied powers to China—Trying to end the civil strife—The conference at Shanghai—What shall be done for China?—The case of China summarized—Responsibility of America—The problem analyzed—Question of extra-territoriality—A plan for its gradual abolition—This plan considered—The railway question—The question of loans and finance—New declaration of the American Government—Will China take the cure?—China's appeal to civilization.

APPENDICES

A The Hay Doctrine—Notes and Treaties Between the Powers Affirming the Commercial Principle of the "Open Door" and Declaring Their Intention to Respect the Independence and Territorial Integrity of China, and Separate Agreements Among the Powers Concerning, and Defining Their Respective "Spheres of Interest" and "Special Positions" in China 361

PAGE
B Japan's Diplomatic Demands on China in 1905, with the Original Secret Twenty-One Articles, the Eleven Articles Presented to the Powers Incorrectly Representing Japan's Demands, the Revised Demands, the Chinese Government's Official Statement of the Negotiations, and the Agreement and Notes Which China Was Compelled to Sign . 373
C Text of the Military Agreement 421
D Memorial of the "Black Dragon" (Japanese) Society Concerning Japan's Policy in China 426
E Extracts from "A Memorial for the Advancement of German Interests in China Issued by the German Association of Shanghai 432
F Collection of Laws and Regulations of the Russian Government Published by the Ruling Senate. . 441

FOREWORD

This work is not presented as a non-partizan or an impartial discussion of the subject. It could not be that, for it embodies the deep convictions formed and accumulated in the course of years of close contact with the matters at issue, and the opinions which, I hope, shine through the presentation of the material were born in the process of "living with" the problem. Few foreigners that is, few Westerners could live in the far East during the last twenty years and still be impartial on the questions included in the position of China and her contacts with Japan.

Some of the facts and much of the criticism presented in the following pages were suppressed or repressed during the Great War for reasons at times connected with the war politics of nations, and at times because of legal restraints upon their publication. That time of restricted publicity has passed with the need, or the fancied need for it, and foreign residents of China and Japan now feel that the truth, and nothing less than the whole truth, about these matters should be known to Western peoples. The design of this work, therefore, is to present the case as it appears to an overwhelming majority of foreign residents of the East. I have not encumbered the book by giving much of the contrary side of events and of the contrary arguments. As in the case of Germany and the responsibility of the German military party for the Great War, the evidence is decisively preponderating, although in this case Japan, like Germany, can put in a more or less plausible defense. I leave that defense to the extensive Japanese propaganda in America and elsewhere.

I have, whenever it served the subject and argument, chosen to include comments of my own that were published previously rather than to state the same matters again in slightly different language; and I also have preferred, when that has been germane, to quote from other writers, from official reports and documents, and from the columns of newspapers, rather than to give my own views of the topics under discussion. In choosing the newspapers to quote I have whenever possible given preference to those of British nationality, because the British press in the far East scarcely can be accused of being incurably anti-Japan or of being under the influence of "German propaganda." About Japanese affairs I have quoted from the two leading foreign papers published there—the "Japan Advertiser," an American owned and edited paper, and the "Japan Chronicle," recognized as the principal British organ. The "Japan Chronicle" especially, because of the long residence there of its editor and publisher, is recognized as carrying almost an authoritative weight; and it, moreover, is pertinent that it is published under the severe regulations of the Japanese Government press censorship.

The sources usually are given in conjunction with the quotations except in case of private reports and secret documents, when I have withheld names of the authors and where I obtained them. They are in all cases, however, authentic. I should like to recommend to those who may desire additional light on this subject the several books of the well-known English writer, Lenox Simpson ("Putnam-Weale"), and the works of Professor Hornbeck, as giving recent accounts and criticisms of value.

THOMAS F. MILLARD

New York, March 20, 1919.

DEMOCRACY AND THE EASTERN QUESTION

THIS BOOK HAS BEEN DISCARDED
FROM THE TRAVELING LIBRARY

DEMOCRACY AND THE EASTERN QUESTION

CHAPTER I

THE ISSUE

The problem as posed in the East—The issue the same as in Europe—Militarism *versus* democracy—Hopes of the democratic peoples of Asia—Causes of war in the far East—Dr. Charles Eliot's report—Dangerous tendencies—Protagonists of the new order—Viscount Grey on a league of nations—Relation of the Eastern question to a league—The opposing theory—Marquis Okuma on diplomacy—Craft and secrecy its requisites—Okuma and Bernhardi—Japan and the question of alliances—Japan and the spoils of war—Dr. Nitobe's opinions—The Anglo-Japanese Alliance—Its relation to a league of nations—Proposed by Germany—Reasons for the alliance analyzed—Alliances and the causes of war—The war cloud in the far East—Need for measures to prevent war—The problem and the United States—Essence of the problem.

THE problem of the Great War and its aftermath as posed in the far East is identical in principle with the same problem elsewhere in the world. In Europe the issue is seen distinctly as a conflict of opposing theories of international polity, termed concisely militarism and democracy.

In Europe Germany is taken as the apotheosis of autocratic militarism, and contrasted with her, with a feeling of being marked for her impending assault or aggression, were nations that were weaker in the sense of being less ready and efficient for war because they are more democratic. In the far East Japan stands for autocracy and militarism, and China has the position of the weak and apprehensive democracy. As the issue of militarism in Europe is not confined to Europe and cannot be confined there, but embraces the whole of civilization, so is the issue as posed in the far East equally embracing.

This issue of militarism *versus* democracy in recent times has been so extensively analyzed and commented on that all intelligent persons have some understanding of it and of its terminology. The discussion has resolved itself into terms and phrases standing for the opposing theories. Certain things are associated with certain other things, certain conditions are accompanied by certain other conditions, certain causes lead to certain effects. It is understood that the autocratic forms of government and militarism conform with and are indispensable to each other. Predatory imperialism also is indissolubly connected with autocracy and militarism. We have become familiar with the euphemisms which imperialistic diplomacy has coined to describe its processes: "special position," "peaceful penetration," "paramount interests," "strategical requirements," "spheres of influence," "defensive frontiers," "buffer states," "strategical railways," "secret diplomacy," "economic nationalism," all these are from the lexicon of predatory imperialism, and have covered the earth.

Opposed to the policies which these phrases express, a new lot of phrases have been coined: "rights of weaker nations," "self-determination of peoples," "autonomy of races," "open diplomacy."

All of the old-school methods of world politics, and the practical applications of them, have been worked in the far East until the democratic and weaker nations there are sick nigh unto death of them, until the democratic peoples of the Asiatic world, comprising nearly half of the earth's population, are now listening with strained and painful expectation to the voices of the new day as expressed in the new slogans.

Although the principles and the general conditions of the issue of militarism *versus* democracy in the far East are the same as to type as the issue in Western countries, I shall, in trying to demonstrate Oriental aspects of the question, confine the discussion largely to utterances and examples originating or applying specially to the East. Just before the outbreak of the Great War, Dr. Charles W. Eliot, president emeritus of Harvard University, made a visit to the far East to investigate and to report on conditions there as they effect peace and war. Dr. Eliot made an exhaustive report, from which I will quote:

THE CAUSES OF WAR HAVE CHANGED

Advocacy of these slow-acting means of preventing wars in the East implies that within the superintended areas the probable causes of international war have changed within fifty years. Dynastic and religious wars, and wars in support of despotic government are no longer probable; and racial antipathies are held in check by the superintending European powers in all the countries to which that superintendence extends. Thus, the Pax Britannica has practically put an end to the racial and religious warfare which from time to time dislocated the Asiatic countries over which British influence now extends. Small outbreaks of racial antipathy or religious fanaticism occur locally; but these are insignificant exceptions to the prevailing tranquillity. The fighting Great Britain has done to establish and maintain this quieting influence has been fighting on a small scale compared with that which went on among European nations during the nineteenth century, or among Oriental peoples in many earlier centuries, and the Pax Britannica has therefore been a great contribution to the peace of the world.

It is not only in the East that the probable causes of international war have lately changed. All over the world, it is reasonable to suppose that wars for dynastic motives will occur no more, and that religious motives for warfare will hereafter be incidental or secondary instead of primary. It is also reasonable to believe that wars in support of absolute monarchs and despotic government will henceforth be unknown, so general is the worldwide movement towards constitutional government and free institutions—a movement from fifty to three hundred and fifty years old among the different nations of the West, but comparatively recent in the East.

The Future Causes of War

What, then, will be the probable causes of international war in the future?

The causes of war in the future are likely to be national distrusts, dislikes, and apprehensions, which have been nursed in ignorance, and fed on rumors, suspicions, and conjectures propagated by unscrupulous newsmongers, until suddenly developed by some untoward event into active hatred, or widespread alarm which easily passes into panic. While the Eastern peoples—far and near—will have some causes of their own for war, because in some instances neither their geographical limits nor their governmental institutions are as yet settled, among the Western peoples the most probable future causes of war, in addition to national antipathies, will be clashing commercial or industrial interests, contests for new markets and fresh opportunities for profitable investments of capital, and possibly, extensive migrations of laborers. All modern governments, in which life, liberty, and property are secured by public law, desire to extend the commerce and trade of their people, to develop their home industries by procuring markets for their products in foreign lands, to obtain in comparatively unoccupied or undeveloped parts of the earth opportunities for the profitable employment of their accumulated capital, and to gain room for a possible surplus of population in the future. Eastern and Western peoples alike feel the desire for a large, strong governmental unit, too formidable to be attacked from without, too cohesive to be disintegrated from within. Both East and West exhibit the modern irrepressible objection to alien rule, especially when such rule, like that of the Manchus or the Turks, produces poverty and desolation, denies liberty, and prevents progress.

Several Western nations which have the saving, or accumulating habit, are eager to make loans to remote and comparatively poor nations which are in great need of money to pay for costly public works of transportation, conservancy, public health, and public security. In making such loans the bankers of each Western nation expect the support and protection of their own government. As security for such loans the borrowing government, national, provincial or municipal, pledges some of its resources; and if the expected interest or dividend is not paid, the lender forecloses. Hence serious international complications. In this lending business the Western powers come into competition with each other, and stimulated by mutual jealousies, engage in aggressive operations against the Oriental peoples, who have been as a rule helpless in their hands, until Japan adopted and improved on the Western military organization and methods of fighting, and succeeded for a short time in borrowing the money needed to pay the heavy costs of a modern warfare.

Dr. Eliot's conclusions, which since then have received much confirmation from events of the Great War, were that among the principal causes for wars thereafter in the far East would be, (a) frictions among Oriental nations due to clashes of interest and ambitions, and *possible aggressions one upon another*, and (b) antagonisms developing from commercial and financial competitions there of foreign nations.

The principal protagonists of the new order for world politics have been President Wilson, Viscount Grey, Lord Bryce, William H. Taft, and a few statesmen in Europe. Those men all speak out of ample experience in political finesse and administration. Certainly no higher authority on modern diplomacy and international policy lives than Lord Grey. In his noteworthy brochure on the proposed league of nations as a substitute for former methods of handling international affairs he wrote [the italics are mine]:

> The second condition essential to the foundation of the League of Nations is that the Governments and peoples of the States willing to found it understand clearly that it will impose some limitations upon the national action of each, and may entail some inconvenient obligations.
>
> *Smaller and weaker nations will have rights that must be respected and upheld by the league. Stronger nations must forego the right to make their interests prevail against the weaker by force, and all States must forego the right in any dispute to resort to force before other methods of settlement by conference, conciliation, or if need be arbitration, have been tried.*
>
> This is the limitation. The obligation is that if any nation will not observe this limitation upon its national actions, if it breaks the agreement which is the basis of the league, rejects all peaceful methods of settlement and resorts to force against another nation, they must one and all use their combined force against it.
>
> The economic pressure that such a league could use would in itself be very powerful, and the action of some of the smaller States composing the league could not perhaps go beyond the economic pressure, but those States that have the power must be ready to use all

the force, economic, military, or naval, they possess. It must be clearly understood and accepted that deflection from or violation of the agreement by one or more States does not absolve all or any of the others from the obligation to enforce the agreement.

Anything less than this is of no value.

It is not my purpose to bring a discussion of the league of nations into the scope of this work except to show how the conditions which it aims to eradicate are bound up as importantly in the far Eastern question as they are in the situation of Europe. There is general agreement in the democratic countries that something must be devised that will be a great improvement over the old-school diplomacy to prevent or to deter ambitious and predatory nations from disturbing continually the peace of the world; and it will be of little use to invent and organize a plan to do this if there is no adequate comprehension of the work which it has to do. A solution of the Eastern question is a part, and a very important part, of the work a league or its substitute has before it.

It is an open secret that some eminent statesmen in Europe and a few in America are not favorably disposed to the idea of a league of nations. Mr. Arthur Balfour, Lord Lansdowne, Georges Clemenceau, Baron Sonnino, are some statesmen who have revealed that they have slight faith in the ability of such a league to function in place of the former system of alliances between powers. In the East, also, there are dissenters, especially in Japan, from the league idea. It is interesting to note the views of Marquis Okuma, the "Sage of Japan," who was Japanese prime minister when the Great War started and for two years afterwards, who was responsible for Japan's war policy in its inception, and since the death of Marquis Yamagata is Senior Elder Statesman. Marquis Okuma left office in 1916, but he speaks with as much authority as any Japanese living. He occasionally warns and admonishes his countrymen about questions of domestic and world politics, and recently he made some oracular comments on diplomacy. On his views the "Japan Chronicle" of May 9, 1918, said editorially:

> Marquis Okuma has a remarkable faculty of being all things to all men. He is President of the Japan Peace Society, and has expounded with fluency the benefits of arbitration and the necessity of the limitation of armaments in the case of all countries save Japan. On the other hand, he can contribute to a militarist organ like the "Kokumin" an article which is the negation of all that he has advanced when habited as an apostle of peace. He is jingo and pacifist by turns. To a deputation of American publicists he will orate on the bonds uniting Japan and America and condemn the journalism which sows discord, while in the columns of his magazine he will write of America and American policy in the most provocative manner.
>
> But the veteran statesman always appears more natural in the guise of jingo than in that of pacifist, as might be expected from the author of the Twenty-one Demands on China. In view of that episode some of the observations which he makes in the article appearing in the "Kokumin" (translated in yesterday's issue) are of much interest. "International relations," he says, "are quite unlike the relations subsisting between individuals. Morality and sincerity do not govern a country's diplomacy, which is guided by selfishness, pure and simple. It is considered the secret of diplomacy to forestall rivals by every crafty means available." Finally, he lays down the proposition that a nation must possess both wealth and military force to make its authority felt.
>
> It will be noted that there is a great similarity in the point of view of Bernhardi and Okuma. "Might," says the former, "is at once the supreme right, and the dispute as to what is right is settled by the arbitrament of war." Again, "A most difficult problem is raised by the question how far, for political objects moral in themselves, means may be employed which must be regarded as reprehensible in the life of the individual." Or still again, "The relations between two States must often be termed a latent war, which is provisionally being waged in peaceful rivalry. Such a position justifies the employment of hostile methods, cunning, and deception, just as war itself does, since in such a case both parties are determined to employ them."
>
> . . . .
>
> It cannot be said, therefore, that the veteran statesman has justified the policy which he expounds in the "Kokumin" by the results accomplished, and we are glad to find a Japanese journal like the

"Asahi" condemning on moral grounds his advocacy of national egoism. Marquis Okuma's disparagement of the unmilitary Allies and appreciation of the military Teuton may therefore be discounted. The end is not yet.

The trend of Japanese intellectual reactions from the war is displayed more fully in later chapters of this work, but as showing how some Japanese thinkers are trying to adapt the national point of view to the lessons of the war may be taken the opinions of Dr. Inazo Nitobe, who has taken occasion to warn his countrymen that too frank a spirit of acquisition and selfishness may react on Japan. Dr. Nitobe, it may be recalled, is well known as the inventor, or the protagonist and interpreter, of "Bushido." He is a professor at the Imperial University at Tokio and formerly was a student at Johns Hopkins University. I again quote the "Japan Chronicle," of July 11, 1918:

> Reprimands like that which Dr. Nitobe has recently administered to his countrymen are rather rare in Japan, where national self-satisfaction is generally very much in evidence. Nothing is more common in Japanese writings on the war than to dwell upon the immense sacrifices which Japan has made, and to hint at the rewards that she therefore has a right to expect. Dr. Nitobe compares Japan's gains with the other Allies' losses, and predicts that there will be a bad reaction of feeling when, on the settlement, Japan's share in the spoils of war is found to be very small. In making these criticisms Dr. Nitobe goes much further than would be becoming in a foreign critic. Some time ago, when the "Chronicle" suggested that the furnishing of supplies for handsome payment hardly came within the definition of self-sacrifice, a Japanese publicist replied that such a remark was more outrageous than anathema. The critic would probably have had an apoplexy if the "Chronicle" had gone only half as far as Dr. Nitobe. It is quite natural, of course, that native criticism should be more patiently borne than foreign.
>
> Dr. Nitobe, even for a purveyor of home truths, is almost unduly severe. We have frequently pointed out in these columns that to Japan the war is not the same thing that it is to France and England, or even to America. The mischief that Dr. Nitobe foresees arises from the adulation of Japan and all her works in which Mr.

Balfour takes such a leading part, and which creates a false impression among the Japanese of the part that this country plays in the war and leads in the direction of the disappointment predicted.

Dr. Nitobe takes it for granted that at the peace conference something approximating to the settlement talked of among the Allies since the beginning of the war will be effected, and that everything will be settled on a general consideration of the public good, while if any compensation, territorial or monetary, can be secured from the aggressors, it will be divided among the Allies according to their sufferings, sacrifices, and needs. Together with this is blended an idea of the resumption of the old relations between Japan and the powers, which means that the powers will "advise" Japan not to make too great a profit at the expense of her weaker neighbours.

How far such relations will be resumed remains to be seen. Japan will be, by that time, in a position, commercially and financially, much more comparable with that of the powers, but will be incalculably behind them in the matter of armaments, which give special point to advice. Dr. Nitobe takes a much higher view of international politics than Marquis Okuma. The late Premier was instrumental in bringing Japan into the war, and conceived that as soon as Japan's power in the far East was demonstrated, and the value of her allegiance established, the European Powers would consider it best to refrain from protest whatever Japan might do in China. In his very first essay, however, he overreached himself, and discovered that, preoccupied as the powers were with their more immediate affairs, they were not resigned to the prospect of standing by while Japan made China a tributary State. Dr. Nitobe remembers that it was nothing but the diplomatic protests which prevented the Twenty-one Demands from complete enforcement, and as a political idealist he feels the discredit accruing from this situation far more than he would ever exult in an increase of political domination over neighbouring countries.

Dr. Nitobe goes to the trouble of confuting the Japanese idea that a war "to make the world safe for democracy" is not a desirable one. It is not probable that any Japanese ever seriously believed that the objects of the war are inimical to the polity of Japan, though some may have made this an excuse for their perverse passion for depreciating the Allies. The common idea of those who profess such concern for Japan's peculiar system is that, bound up with the devotion of all Japanese to the Imperial House, is the preservation of the privileges of the persons who happen now to be in advantageous positions. Their narrowness of view is the natural complement of the sort of patriotism which looks only to spoils in a war which is, to a degree uncommon in international struggles, a moral issue.

In the far East the question of the basis for international politics after the war inevitably, at some point of a discussion, comes to the Anglo-Japanese Alliance. This alliance, except the secret treaty made between Japan and imperial Russia during the war, is the only offensive and defensive alliance between powers having the far East as their special field. Later in this work I mention the disposition of the Japanese at one stage of the war to throw the alliance with Great Britain overboard; but that sentiment was frankly based on calculated self-interest. It is interesting, therefore, to obtain a glimpse of Japanese conception of the alliance in juxtaposition with the idea of a league of nations. Discussions of the alliance in Japan, and especially suggestions and proposals that it be abrogated, naturally received the close attention of British who live there, and the "Japan Chronicle," the leading British organ in Japan, makes this comment editorially in its issue of January 28, 1919:

> In the article on alliances which Dr. Sawayanagi, the well-known educationist and for a time Vice-Minister of Education, has contributed to the "Taiyo," he puts his finger on one of the root causes of the war which has destroyed the flower of European youth and threatened the fabric of civilisation itself. As will have been seen by the translation of the article appearing in Sunday's issue, Dr. Sawayanagi raises the question whether the time has not come for the abrogation of the Anglo-Japanese Alliance. Hitherto this suggestion has been made by Japanese who regarded the revision of the Anglo-Japanese Alliance in 1911, removing all danger of Britain being compelled by the terms of the compact to participate in war against America, as destroying the value of the agreement, which, with Russia no longer a foe to be feared, simply acted as a check on Japan's diplomatic activity in the far East without conferring any proportionate advantage.
>
> Dr. Sawayanagi takes up a different attitude. He points out that Russia is now in such a disorganised state that her assumption of an aggressive policy in the East has removed the *raison d'être* of the

Alliance, but his chief reason for suggesting its termination is that it is clearly out of harmony with the League of Nations which it is assumed the Peace Conference will in some form or other bring into being. There is ample justification for the view taken by Dr. Sawayanagi. President Wilson holds very strongly not only that a League of Nations should be open to all and common to all, but that a partial League of States, such as the present Allies, might be used for selfish purposes, and would destroy the very objects for which the League of Nations was framed. Indeed it was one of the President's five conditions of a satisfactory peace that "no special interest of any nation can be made the basis of any settlement which is not consistent with the common interest of all." This evidently rules out alliances for special objects between two or more nations, as such a policy would tend to set up groups within the League, creating all the old animosities and constituting a serious danger to the peace of the world.

The Anglo-Japanese Alliance must go with the other compacts, as being against the general interest. It has been asserted that the conversion of the Anglo-Japanese agreement of 1902 into an offensive and defensive alliance in 1905 maintained peace, but it may with equal truth be contended that the Alliance narrowly escaped plunging Europe prematurely into the war of mutual destruction that actually began ten years later. For the Alliance came about not so much from a desire to maintain peace in the far East as because of hostility to Russia, which was then pursuing an aggressive policy in Central Asia and the far East, and the more definite character given the agreement in 1905 was clearly with the object of preventing France from going to the assistance of her Russian ally. There were occasions during the progress of Rodjestvensky's squadron towards the far East when the relations between Japan and France were strained almost to the breaking point, owing to the aid given the Russian squadron in French ports. Had the two powers come into armed conflict all Europe would have been ablaze. Britain would have come in on the side of Japan against France and Russia, and, despite the Kaiser's letters to the Tsar during the crisis, it is not impossible that when the rupture came Germany would have found her interest in siding with Britain rather than with her traditional enemies on the east and west.

Looking back upon the history of the last forty years with the experience of the last five years as a guide, it becomes clearly evident that it was the groups of alliances which kept Europe in a perpetual ferment during that time, and altogether, with what Bright called the "bloody fetish" of the balance of power, encouraged all the nations in that mad race of armaments which in due course ended in an explosion.

. . . .

It is curious that an agreement between Britain and Japan was first mooted by the German *chargé d'affaires* in London, Baron von Eckardstein, who suggested a triple alliance between Japan, Great Britain, and Germany respecting affairs in the far East. Count Hayashi, then Japanese Minister in London, took up the suggestion warmly, obtained the approval of his Government and approached Lord Landsdowne, the British Foreign Secretary. Sir Claude MacDonald, British Minister to Japan, who was in London at the time, strongly supported an Anglo-Japanese Alliance, and, prompted by Hayashi, brought pressure to bear on the British Foreign Office by expressing a fear that Japan might make an alliance with Russia. Lord Lansdowne, who at first was not very sympathetic, finally approved. The German participation was dropped, and an alliance between Britain and Japan negotiated. This was in February, 1902. Prince Ito, then on his way to endeavor to negotiate an arrangement with Russia of differences with Japan, was thrown over by Kasumigaseki, and the result a couple of years later was the Russo-Japanese War.

The next departure from the British Liberal policy of being friendly with all nations but allied with none was in concluding an entente with France in 1904, which probably had the effect of preventing France joining Russia against Japan, and thus extending the war to Europe, though it was evidently regarded as necessary to convert the Anglo-Japanese Alliance in the following year into a positive instrument of offence and defence. But the catastrophe was only postponed, not averted.

. . . .

The existence of the two groups of alliances, avowedly framed to ensure peace, made war inevitable. So much is evident to-day. It rests with the Peace Conference to devise another method. The old system has failed utterly and disastrously. In a common agreement between all States to ensure peace there may be security for the future. But such an arrangement must rigidly exclude all public or secret agreements of alliance, the effect of which would be to divide the nations into two or more hostile groups.

Students of politics and conditions in the far East, and foreigners who live there, almost without exception feel that unless that part of the world is somehow relieved from the pressure of the imperial ambitions of Japan, another war, which beyond doubt will involve several of the western powers, including America, is inevitable. They see the issue distinctly, in both its moral and political aspects, as much a Western question as it is an Eastern one, and with scarcely any important exceptions they feel that the old system cannot be so revised and readjusted that it can assure peace in the East any more than it did or can secure peace in Europe. It will be futile to patch up a peace in Europe while leaving free to run their course in the far East all the old war-breeding elements. The outcome will be the same there as it was in Europe.

For America all the applications of the war in Europe can also be taken with regard to a war in the far East arising from the issues that are now drawn there. The analogy between the previous policy of the United States toward Europe and its alliances, its ententes, and its wars, and a similar policy toward the East, is exact. Just as the great war has demonstrated the fallacy of the isolation of America from the scope of such disputes and the futility of treating our contacts with these questions on a detached basis of "good feeling" and good wishes for all the nations so involved, and of "leaving Europe to settle its own quarrels," so Americans should realize that the Eastern question will not settle itself, and that it is a part of the business of the United States, for its own security if for no other motive, to help settle it rightly.

The Eastern question can be expressed in two words, Japan and China. It is only by understanding the true characters of both those nations and the problem of their relation to each other that the modern issue of the far East can be comprehended.

CHAPTER II

THE REAL CHARACTER OF JAPAN

Creation of modern Japan—Myth and fable—The parallel with modern Germany—The cult of emperor divinity—Invention of a new religion—Japan's historical background—Bushido a recent fabrication—Divine origin of the Japanese nation—The military autocracy—A replica of Prussianism—Why Japan has mystified the West—Japanese language a screen—Evolution of Japanese view of the West—Foreign patronage now resented—Exclusion of "dangerous thoughts" from Japan—American Constitution in that category—A striking incident—Dilemma of Christianity in Japan—Trying to reconcile it with emperor divinity—Japan's constitutional forms—Throne not responsible to people—All rights rest in throne—Japan and democracy—Liberal ideas not tolerated—A theocratic state—The Government and industry—Japan's efficiency—State of administration in Japan—Government of Japan's dependencies—Formosa and Korea—A Korean appeal—Status of foreigners in Japan—The so-called liberal elements—Downfall of the bureaucracy predicted—Japan's foreign propaganda—Some illustrations—Japan after the war—Attitude toward league of nations—Question of armaments—Time required for reform.

THE Japanese Empire in its present national form is dated by most historians and commentators from 1867, when the "restoration" occurred. It is interesting and, as will be shown later, also very significant that the so-called restoration of Germany usually is taken from 1866, when that nation conclusively proved its military superiority over Austria, a victory that was a forerunner of the war of 1870 and the creation of the modern German Empire.

In estimating the character of modern Japan, it is necessary to review that nation's previous history only with regard to the origin and development of national institutions and characteristics that influence the nation in these times. Ancient Japan is no more an issue in world politics to-day than is ancient Germany or ancient Rome or Greece. The histories of Rome and Greece abound in matters that now are admitted to be purely mythological, and people now would not take them seriously in considering political tendencies of the Italy and Greece of to-day. Yet a vast amount of the mythology of ancient Japan, without western peoples being aware of it, has been woven into western popular conceptions of modern Japan, and its legends have obscured the real Japan from any exact comprehension by westerners. In America we measure Europe with a fair degree of accuracy because we have the same historical and ethnological origins, and can use our own standards of measurement in our comparisons; but a great majority of Americans, and Europeans, too, have been measuring Japan by the almost mythological standards that Japan has set up for herself.

There is, however, little about modern Japan that is difficult of comprehension, and nothing at all that is mysterious. Japan is a nation whose history for several centuries is an open record, though not a plainly visible record. One reason why it is not better known in the West is because of the difficulties of the Japanese language, which are a severe obstruction to foreign penetration of Japanese literature and current thought; another reason is that Japan adroitly set out to write her own history for westerners to believe, and the West has, with an astounding complacency, taken Japan's own estimate of herself. The West, in effect, has given Japan a blank draft on its credulity, and allowed the Japanese to fill it out for themselves. Japanese propaganda has done that.

Born almost exactly at the same time with modern Germany, modern Japan, in adapting herself to western civilization, has conformed almost exactly to the German political system, the German thesis of statecraft, the German military organization, the German conception of the great game of *welt-politik,* and the German methods of playing that game. Intelligent Japanese do not dispute this, although for the last few years it is not a fact which the Japanese Government has desired to spread in some countries. A majority of Japanese military leaders were educated in Germany, the Japanese Army is organized after the German model and conception of discipline, and a majority of Japanese modern medical practitioners, and many leaders in the educational and scientific life of Japan, were educated in Germany.

But it has not been those origins and associations that made the Japanese admirers and imitators of Germany. It has been Germany's military successes and rapid rise as a power that induced the Japanese to believe in the superiority of the German system and the German efficiency as a means of national expansion. There were, of course, similarities in German and Japanese institutions that strengthened those other attractions. For instance, the dogma of the divine right of emperors which was dramatically revived in Europe by the kaiser was paralleled by the cult of emperor divinity in Japan. Their growth and development were contemporaneous. Some commentators have attributed the conception of Japanese statesmen of the imperial divinity idea as a means to consolidate the rule of the political oligarchy that accomplished the restoration and rode into power with it to a study of the development of the same idea in Germany. That, however, is difficult to prove, because the idea sprang and developed in the two nations nearly at the same time. A very good account, and a reliable one, of this phase of modern Japan is given by a recognized authority on Japan, Basil Hall Chamberlain, for many years professor of Japanese and philology at the Imperial University in Tokio, and the author of many well-known books about Japan. In a little-known brochure of his, "The Invention of a New Religion," published in 1912, Professor Chamberlain wrote [my italics]:

> The first glimmer of genuine Japanese history dates from the fifth century *after* Christ, and even the accounts of what happened in the sixth century must be received with caution. Japanese scholars know this as well as we do; it is one of the certain results of investigation. *But the Japanese bureaucracy does not desire to have the light let*

in on this inconvenient circumstance. While granting a dispensation *re* the national mythology, properly so called, it exacts belief in every iota of the national historic legends. Woe to the native professor who strays from the path of orthodoxy. His wife and children will starve. From the late Prince Ito's grossly misleading "Commentary on the Japanese Constitution" down to school compendiums, the absurd dates are everywhere insisted upon. This despite the fact that the mythology and the so-called early history are recorded in the same works, and are characterized by the like miraculous impossibilities; that the chronology is palpably fraudulent; that the speeches put into the mouths of the ancient mikados are centos culled from the Chinese classics; that their names are in some cases derived from Chinese sources; and that the earliest Japanese historical narratives, the earliest known social usages, and even the centralized Imperial form of Government itself are all stained through and through with a Chinese dye, so much so that it is no longer possible to determine what percentage of the old native thought may still linger on in fragments here and there.

In the face of all this, moral ideals which were of common knowledge derived from the teaching of the Chinese sages, are now arbitrarily referred to the "Imperial Ancestors." Such, in particular, are loyalty and filial piety—the two virtues in which, in the far-Eastern world, all the others rest. It is furthermore officially taught that, from the earliest ages, perfect concord has always subsisted in Japan between beneficent sovereigns on the one hand, and a gratefully loyal people on the other. Never, it is alleged, has Japan been soiled by the disobedient and rebellious acts committed in other countries; while at the same time the Japanese nation, sharing to some extent in the supernatural virtues of its rulers, has been distinguished by a high-minded chivalry called *Bushido,* unknown in inferior lands.

Such is the fabric of ideas which the official class is busy building up by every means in its power, including the punishment of those who presume to stickle for historic truth.

. . . .

The sober fact is that no nation probably has ever treated its sovereigns more cavalierly than the Japanese have done, from the beginning of authentic history down to within the memory of living men. Emperors have been deposed; Emperors have been assassinated; for centuries every succession to the throne was the signal for intrigues and sanguinary broils. Emperors have been exiled; some have been murdered in exile. From the remote island to which he had been relegated one managed to escape, hidden under a load of dried fish. In the fourteenth century things came to such a pass that two rival Imperial lines defied each other for the space of fifty-eight years—the so-called Northern and Southern Courts; and it was the Northern Court, branded later by historians as usurping and illegitimate, that ultimately won the day, and handed on the Imperial regalia to its successors. After that, as indeed long before that, for long centuries the government was in the hands of Mayors of the Palace, who substituted one infant sovereign for another, generally forcing each to abdicate as soon as he approached man's estate. At one period, these Mayors of the Palace left the Descendent of the Sun in such distress that His Imperial Majesty and the Imperial Princes were obliged to gain a livelihood by selling their autographs. . . . Even in the present reign—the most glorious in Japanese history—there have been two rebellions, during one of which a rival Emperor was set up in one part of the country, and a republic proclaimed in another.

. . . .

As for Bushido, so modern a thing it is that neither Kaempfer, Siebold, Satow, nor Rein—all men knowing their Japan by heart—ever once allude to it in their voluminous writings. The cause of their silence is not far to seek: *Bushido was unknown until a decade ago. The very word appears in no dictionary, native or foreign, before the year 1900.* Bushido, as an institution or a code of rules, has never existed. The accounts given of it have been fabricated out of the whole cloth, chiefly for foreign consumption.

. . . .

Thus, within a space of a short lifetime, the new Japanese religion of loyalty and patriotism has emerged into the light of day.

. . . .

The new Japanese religion consists, in its present early stage, of worship of the sacrosanct Imperial Person and of His Divine Ancestors, of implicit obedience to Him as head of the army (a position, by the way, opposed to all former Japanese ideas); furthermore, of a corresponding belief *that Japan is as far superior to the common ruck of nations as the Mikado is divinely superior to the common ruck of Kings and Emperors.* Do not the early history-books record the fact that Japan was created first, while all other countries resulted merely from the drops that fell from the creator's spear when he had finished his main work!

. . . .

Thus does it come about that the neo-Japanese myths concerning dates, and Emperors, and heroes, and astonishing national virtues already begin to find their way into popular English text-books, current literature, and even grave books of reference. The Japanese governing class has willed it so, and in such matters the Japanese governing class *can enforce its will abroad as well as at home.* The statement may sound paradoxical. Study the question carefully and you will find that it is simply true.

. . . .

To quote but one official utterance out of hundreds, Baron Oura, minister of agriculture and commerce, wrote this in February of last year [1911]:

"That the majesty of our Imperial House towers high above everything to be found in the world, and that it is as durable as heaven and earth, is too well known to need dwelling on here. . . . If it is considered that our country needs a religious faith, then, I say, let it be converted to a belief in the religion of patriotism and loyalty, the religion of Imperialism—in other words, to Emperor-worship.

. . . .

The new religion, in its present stage, still lacks one important item—a sacred book. Certain indications show that this lacuna will be filled by the elevation of the more important Imperial rescripts to that rank, accompanied doubtless by an authoritative commentary, as their style is too abstruse to be understood of the people. . . . In fact, a volume on the whole duty of Japanese man, with selected Imperial poems as texts, has already appeared.

. . . .

One might have imagined that Japan's new religionists would have experienced some difficulty in persuading foreign nations to accept the truth of their dogmas. Things have fallen out otherwise. *Europe and America evince a singular taste for the marvellous, and find a zest in self-depreciation.*

As giving a Japanese view of this aspect of modern Japan, I shall quote from "The Political Development of Japan," by George Etsujiro Uyehara, D. Sc., published in 1910. It can be noticed that Professor Uyehara adheres to the fiction that something is known about Japanese history in remote ages, for he speaks of matters supposed to have happened twenty-five centuries ago. As Professor Chamberlain remarks, no Japanese would dare to contradict or discredit any of the national historical myths. Professor Uyehara says:

The Divine Right of the Emperor, however absurd it may seem to the theorists of individualistic idealism, still holds a predominant place in the minds of the Japanese; and its political value seems to be as important to the Japanese nation as the religious value of miracles and mythological and allegorical stories is to certain religions. Therefore, to understand practical politics in Japan, we must make a careful examination of the effects of Mikadoism upon the Japanese body politic.

The Divine Right of the Emperor is the fundamental principle on which the Japanese polity was first established and on which it still rests. The first national organization known in the history of Japan was religio-political in its character. The common worship of the Sun-goddess, with the Emperor as the high priest, was one of the chief functions of the government. In fact, the term *matsurigoto*, meaning worship, is etymologically in pure Japanese identical with that of government. In speaking of Shinto, the old State religion of Japan, Dr. Aston says: "Secular and sacred are much less differentiated in Shinto than in more highly developed religions. The Mikado was at once the sovereign and the high priest." Thus the original, the fundamental political idea of the Japanese seems to confirm the theory which Professor Burgess pronounces universal: "The unbiased political historian will not dispute the proposition—that the earliest forms of the State were theocratic—but he will teach that the State was brought through the earlier and most difficult period of its development by the power of religion. . . . This is entirely comprehensible from the standpoint of a correct political philosophy. The first and most fundamental psychological principle concerned in the development of the State is that of Piety, *i.e.* reverence and obedience. Unless the character of the mass of the population be moulded by this principle, the reign of the law cannot be attained."

However, many Western nations have long since abandoned the theocratic form of State. There remains here and there only its shadow; already, even before the time of Plato, various forms of State seem to have existed. It is most singular that Japan has firmly and religiously adhered to her old traditional polity and made no single departure from it in the twenty-five centuries of her existence, during which she has passed through many vicissitudes, political, social, and economic. Many changes have taken place from time to time in the form and mechanism of her government, but its fundamental polity, a unique fact in political history, has never been altered, shaken, or transformed. It appeals, therefore, most intensely to the Japanese people, no matter how primitive and childlike its origin, and is engraven on their hearts and minds, and engenders their deepest admiration, reverence, and affection.

That the Mikado reigns and governs the country absolutely, by a Right inherited from His Divine Ancestors, is the unconscious belief or the instinctive feeling of the Japanese people. Indeed, it may be said to be their religion—religon in the sense of the "inner voice" as defined by Matthew Arnold.

The military autocracy, a replica of Prussianism, that has governed Japan since the restoration exercises its power in a large measure by standing behind the person of the emperor and using the throne as a symbol. Japan really has in this period been governed by an oligarchy of very limited numbers. Its core is the Genro, a small group of Elder Statesmen, including only half a dozen or so men. Political parties and groups in the Diet are composed of followers of this or that member of the Genro. There are by-currents of political thought and influence, gathered in the survival of the ancient clans, in the military class, and nowadays in the new plutocracy; but all of those are controlled by the oligarchy, which clusters closely about the throne and prevents any undesirable influence from reaching it. Created after the restoration as a symbol through which the aristocratic autocracy could govern more easily, and as focusing a national sentiment, the throne and its divine attributes have in time taken on an actual power from the acceptance by the people of its divine status. Thus in late years the throne at times has threatened to overcast the oligarchy, and it is conceivable that if ever a man of real ability should become emperor, he might take power from the hands of the oligarchy and wield it himself. Even now to some extent the throne is becoming a sort of Frankenstein of the oligarchy, and the emperor cannot always be controlled absolutely as the inner governing circle wish. The system works smoothly as a rule, especially with a people densely ignorant in the mass, as long as the throne remains complacently a puppet for a highly intelligent ruling class; and it has advantages, as Germany had, over nations democratically and therefore more loosely governed. A difference in the development of the imperial divine right theory in Germany and in Japan was that in Japan it was not the presumption of an emperor, but was the invention of subjects as a device to govern a superstitious people; while in Germany it was a clever, but erotic and intensely egotistical, emperor who revived it, and it was taken complacently by the military autocracy because it suited their ends. It is a curious reflection that western peoples, who found in the kaiser's divine pretensions only a matter for scorn and ridicule, have taken the similar pretension of the mikado, if not seriously, at least without ridicule or resentment. The reason is to be found in the fact that the western popular conception of Japan has been tinged with romanticism, as a sort of play-nation, not to be judged seriously or by critical standards.

In his work, quoted in this chapter, Professor Chamberlain states that a principal reason why Japan had succeeded in understanding the West well, while remaining a mystery to the West, is the difference in languages. Western languages are simply composed from an alphabet of twenty-six letters, while Japanese is an idiograph language which very few foreigners ever master. Undoubtedly, the Japanese language has been one of the best screens which that country produces, and one which has been of singular service to the world politics of the nation.

In the course of its development modern Japan has undergone an evolution in its comprehension of the West. Japan began to understand the West long before the West began to understand Japan, because the Japanese were keen, almost desperately keen, about understanding the West, while the West was only a little interested about Japan, as one is interested in any curio. Japan has not until recently presented itself to the West as a serious and important problem which relates directly to the security of the West, while from the time of real impact of the West upon Japan, a period usually dated from Commodore Perry's visit, Japan has known that the West stood for and contained the knowledge which Japan must acquire if she were to rise to first rank among nations.

But as time passed, and the Japanese began to think themselves proficient in western knowledge and science, and especially after they had demonstrated, at least to their own satisfaction, a superiority over even western powers in western military tactics, they took on another attitude toward western institutions. Having for so long assured others of the divine origin of their country and its preëminent attributes, the Japanese began to believe all the things of themselves that their propaganda had somehow induced westerners to believe of them. This developed in them an internal conceit and arrogance, which rarely, except with the vulgar classes, showed through the natural outward tact and polite demeanor of the people, but which nevertheless ran strongly in Japanese thought and character. The Japanese developed self-confidence and, after that, self-sufficiency. This caused them to resent any attitude of patronage and condescension in foreigners, whether this was merely the provincial conceit of the ordinary tourist or patronizing of a more subtle character.

In this more subtle class of foreign patronage can be placed such well-meant works as missionary and educational efforts. Only recently the Japanese regarded foreign religious missions with tolerance, if a little contemptuously, and they took much in the same manner as they were bestowed such benefactions as schools and hospitals. It is different now. A nation, or a people, which arrogates to itself the first place on earth by reason of its divine origin and associations, and which considers itself an equal or the superior even in material and military power of any nations except a few, rejects instinctively a patronage which, on its face, assumes, firstly, that Japan herself cannot afford to pay for such institutions; secondly, that she is benighted and needs such foreign enlightenment; thirdly, that without foreign aid she could not attain it; and, fourthly, that it implies the superiority of the West. Japan went to school to the West and absorbed its knowledge with avidity. But the Japanese now feel, rightly or wrongly, that they have been graduated. Foreign churches and religious missions for foreigners in Japan, foreign hospitals for foreigners in Japan, foreign schools for foreigners in Japan, do not offend the Japanese as yet; but foreign religious missions *for Japanese,* foreign schools and hospitals *for Japanese,* irritate the rapidly swelling pride and conceit of the Japanese. I have heard of a recent instance of how an American physican in Japan journeyed about the United States soliciting subscriptions to build and equip a medical school and hospital in Japan. He raised a good deal of money, and when he returned to Japan he discovered an almost imperceptible coolness toward his project by the Japanese. On investigating, he learnt that the Japanese did not feel that they were in need of foreign charity of this kind. So far tact and certain exigencies of world politics have repressed this disposition of the Japanese, but it is beginning to be shown plainly in many instances.

A very interesting demonstration of this new spirit, and one also which has a decided political significance in conjunction with issues of the Great War, is the so-called Hepburn incident which occurred in 1918. I quote the "Japan Advertiser":

SHALL AMERICAN DEMOCRACY BE ALLOWED A CHANCE IN JAPAN?

Minister of Education Says "No!" in Opposing Establishment of New Chair in Imperial University

The attentive eyes of a couple of hundred professors and lecturers as well as 4,000 students of the Imperial University of Tokyo, who are always claiming the freedom of learning without the intervention of conservative bureaucrats, are now concentrated upon the peculiar development of affairs as regards the official sanction for the professorial chair on America and American Affairs, which is to be established in the College of Law by the donation of yen 60,000 from Mr. Alonzo Barton Hepburn, well known New York banker and millionaire.

The situation is complicated, but the fact itself is that Mr. Ryohei Okada, Minister of Education, has voiced his objection to the establishment of the new chair in Japan's leading educational institution on the ground that the American teaching of democracy will be harmful to Japan's national politics. He is hesitating to give the official sanction for the chair, which must come in the form of an Imperial Ordinance, according to the official regulations of the university.

During the latter part of last year Mr. Hepburn's donation was reported. Baron Shibusawa, who was first consulted by the New York banker upon the problem, was pleased with the latter's idea to promote Japanese-American friendship by establishing a course in the university on American affairs and sounded the university officials regarding the question. Apparently, there was practically no objection on the part of the university, and, in consequence, the negotiations were smoothly carried out.

Baron Megata, who was then in America as the head of Japan's financial commission, discussed the matter with Mr. Hepburn many times and the plan was satisfactorily concluded at the end of last year between the American financier and the Imperial University of Tokyo.

Accordingly, the American course, consisting of three lectures, "American Independence" by Dr. Nitobe, "The American Constitution" by Professor Minobe and "American Diplomacy" by Professor Yoshino, was inaugurated at the beginning of the year. A grand ceremony for the opening of the new course was held, with President Baron Yamakawa's speech of congratulation, followed by a talk by Professor Hijikata, the Dean of the Law College.

As the course was quite new to the students, and as the lecturers were all the best and most popular speakers, the course soon became a center of interest. On every Saturday afternoon, when the lectures were given, the large auditorium was crowded by several hundred young students, consisting not only of those entered in the College of Law but hundreds of others who were studying literature, medicine, science, engineering and even agriculture.

At the same time a plan was made by the faculty to select a candidate to fill the chair in the future. He was to be one who specialized in the course some young, energetic and intelligent graduate of the college. It is said that if the selection was settled, the new professor was to be sent to America at once. Furthermore, it was promised by the university authorities that the new professor might spend one-third of every year in America, even after he began regular service. The original plan was on an even larger scale. It was proposed that the new professor should also serve as an university extension lecturer, traveling all around the Empire to give lectures on America and American affairs to public audiences in various cities and towns.

Turning to the trouble now in consideration, it is worth recalling the Imperial Ordinance on the Imperial University, which was originally issued in 1886 and revised in 1890 and 1893.

Article 1 of the Ordinance says: "It is the purpose of the Imperial University to teach and investigate such arts and sciences as those demanded by the state."

Article 18 says: "The variety and number of the professorial chairs is to be decided by the Imperial Ordinance, which is to be issued for special necessity."

The principles expressed in these two articles are declared to be the fundamental ideas which explain the nature of the present controversy. In an interpretation by the Minister of Education, according to a university professor, the new course on America not only fails to fill the requirement of "such arts and sciences as those demanded by the state," but is rather harmful to the welfare of the state. As the establishment of any new professorial chair is to be decided by Imperial Ordinance, in accordance with Article 18, Mr. Okada, the Minister for Education, holds practically the full power for sanctioning the new American chair.

Japanese officialdom does not invite the introduction of democratic propaganda into Japan, and fears even to hear the word "democracy," just as the Japanese people a hundred years ago shuddered before the word "Christianity," a professor at the Imperial University said to an "Advertiser" reporter yesterday. Besides the government officials, several university professors, though they represent the minority, hold the similar views toward the mention of American democracy. One professor declared yesterday that Professor Shinkichi Uyesugi, who holds the chair for Japaneese Constitutional Law in the university, was disgusted by the faculty's decision to establish the new American course and approached Premier Count Terauchi a couple of months ago, asking the Premier to intervene.

There have been whispers, of course, to the effect that the Minister of Education is not solely responsible for the desire to ban the American course of study; that there may be others behind the curtain. But the question still remains, and it is one which has deeply stirred Japanese educational circles. Shall the rising generation of Japan be permitted to receive the democratic ideas of America or shall the doors be slammed in the face of "dangerous thoughts"?

And the "Japan Chronicle" commented on the matter editorially, on May 16, 1918, as follows:

Some time ago, Mr. Hepburn, the nephew of a well-known missionary, offered a large sum of money for the establishment of a Chair of American History at the Tokio Imperial University. The generous donor had a sentimental attachment to Japan, and he desired, as is evident from the nature of the gift, to promote a better understanding between the two countries, conceiving possibly that Japan, about whose feet still cling the rags of the feudal system, might profit by a better knowledge of the struggles of a country which had begun the creation of constitutional government from the beginning—not built upon old foundations—and might therefore be expected to have useful knowledge to impart. When the news was first received of this benefaction it was stated in the Japanese newspapers that the new Chair was to be for the study of the American Constitution, and jocular remarks were made about it being tantamount to an importation of "dangerous thoughts." It was not supposed that there could be any serious obstacle to the execution of the American donor's wishes, but when the benefaction was next heard of the American Constitution had been modified to American History, and whereas it might have been expected that the offer would be accepted with alacrity, months go by, and still official permission is not given for the creation of the new Chair. On top of this comes the announcement by Mr. Okada, the Minister for Education, that a Chair of Shinto is to be established at the Imperial University at Tokio, and to this one of the Professors of the University added that it had been considered wise to establish this new Chair before the advent of the American foundation. In other words, American history is of the nature of "dangerous thoughts," but since the poison cannot very well be avoided, it is wise to take the antidote first. Comment made by way of a joke turns out to be the very serious conclusion of the highest authorities in the country.

It is one of those cases where it is almost impossible to effect in imagination a transposition, so as to see how a situation will appear to other people. If one of Japan's war millionaires wished to endow a chair of Japanese history or even of Shinto at Harvard, what would be the effect? It is possible that the Harvard authorities would reply that though they felt very grateful they had no expectation of a large number of students attending the lectures and therefore suggested that the millionaire reconsider his offer. Or they might accept it with alacrity. The one thing that is most unimaginable is that the American Government would hasten to present the University first with a Chair of Republicanism or of Episcopal Methodism. Or if such an offer were made to Oxford, it would never enter the head of Mr. Lloyd George that the Empire's safety or the country's morals demanded the prior establishment of a Chair of Druidism. It is quite easy to fancy Mr. G. B. Shaw founding a Cambridge Chair of Dangerous Thoughts,—and easier to imagine its being accepted than to conceive of its rejection.

One of the effects of Japan entering into relations with foreign countries has been the growth of an official obscurantism about those matters which are supposed to affect the honour of the nation and of the Imperial House. Under the Shogunate little enough respect was shown to the Sovereign; but during a half-century in which the West has learnt to criticise and question all things, Japan has gone so far as dismissing professors for doubting historical dates. So far as modern history is concerned, the searchlight of criticism is free to search out its details, but when it goes back beyond documented times it becomes too sacred for critical research.

The object of the men who desire to organise Japanese opinion and belief according to sealed pattern is solely the honour and glory of Japan, but their method is the outcome of a strange lack of faith in the abilities and genius of the Japanese people.

. . . .

Does Mr. Okada really believe that the forces which move Japan are different from those which govern the rest of humanity? And has he so little imagination as to be unable to draw a conclusion from the fact that the countries where thought is most free are those which have made the most progress? Beliefs, like knowledge, progress, and when they are not allowed to progress they die; yet it would be very surprising to hear that the new Chair of Shinto was intended to encourage a spirit of free inquiry, research, and generalisation from the ancient history of Japan, for that is the very last thing that the official classes understand by the study of Shinto.

It is curious that the Japanese, who are so solicitous regarding what other nations think of them, do not reflect on the influence on their international relations of the cult of an exclusive nationality.

Many intimations of late have also given notice that the Japanese Government is growing resentful of the Christian missionary propaganda and proselyting in Japan, although this matter carries with the handling of it, and especially with any attempt to curb or to expel it, a most delicate question, one so full of irritations of western sentiments and moral beliefs that the Japanese Government is, and well may be, reluctant to raise the issue. That Christian tenets and propaganda are directly opposed to the concept of emperor divinity and worship is quite apparent to most minds; but, oddly, there is an effort in Japan to reconcile the two. Out of many instances that I have heard of, I quote—the italics are mine—again from Professor Chamberlain's brochure, "The Invention of a New Religion":

> The Rev. Dr. Ebina, one of the leading lights of the Protestant partorate in Japan, plunges more deeply still into this doctrine, according to which, as already noted, the whole Japanese nation is, in a manner, apotheosised. Says he:
>
> "Though the encouragement of ancestor worship cannot be regarded as part of the essential teaching of Christianity, it [Christianity] is not opposed to the notion that, when the Japanese Empire was founded, its early rulers were in communication with the Great Spirit that rules the universe. Christians, according to this theory, without doing violence to their creed, may acknowledge that the Japanese nation is of divine origin. It is only when we realize that the Imperial Ancestors were in close communion with God, that we understand how sacred is the country in which we live. (*Dr. Ebina ends by recommending the Imperial Rescript on education as a text for Christian sermons*).

In truth the Christian movement in Japan is confronted with a serious dilemma—a dilemma that is leading its foreign protagonists in Japan into some queer elisions of Christian teaching and dogma in their effort to retain their hold on Japanese converts, and at the same time to make it possible for those converts still to be orthodox subjects of the mikado. It further is interesting to recall that of Japan's fulsome adulators none have been more energetic in singing her praises unstinted, in condoning her delinquencies, and in defending her foreign policy, than some prominent Christian missionaries. The missionaries who live and work in Korea, Formosa, and China, however, have a different tale to tell, although the conditions under which they have to work requires them often to suppress their criticisms.

In previous books I have written fully about Japanese political institutions—the constitution, the ballot suffrage, the parliament, and the various machinery of Government—and will review those matters but briefly here. One point might be noted, that the constitution of Japan did not spring from the people, but is held to be the gift of the emperor to the people, thus preserving the throne as the origin even of popular rights and liberty and the fountain of all authority. In his "The Political Development of Japan," Professor Uyehara wrote, "Old Japan never had a Magna Charta, nor a Bill of Rights, nor any political manifesto involving abstract principles of justice, equality, liberty, and the rights of men." The constitution derives its authority not from the people, but from the throne. The throne is not in any sense held to be responsible to the cabinet or to the Diet, or to the people for its administrative acts. The Diet is responsible solely to the throne, not to the people. The Cabinet is responsible to the throne, not to the Diet. Regarding the constitution Professor Uyehara wrote:

> The doctrine of sovereignty is embodied in the major premises of the present Constitution of Japan. The logical severity and rigidity of its structure, perhaps, surpass that of the present Constitution of France, though the fundamental doctrines embodied in these two documents are as diametrically opposed to each other as the Poles. The main thesis of the Japanese Constitution is the sovereignty of the Emperor, whereas that of the French Constitution is the doctrine of *vox populi vox dei.*
>
> Article IV. of the Constitution of Japan states that "the Emperor is the head of the Empire, *combining in Himself all the Powers of the State.*"

In one of his articles from Japan to the "Daily Mail" of London, written in 1918, Bernard Falk criticized the tendency of foreigners to over-praise Japan, and the "Japan Chronicle" thus commented:

> It will be noted that Mr. Falk is not quite so strongly impressed by Japanese enthusiasm for the war and her determination to make the world safe for democracy as some observers viewing things from England or America. Viscount Ishii, who does talk English fluently, would perhaps have convinced the correspondent of the "Daily Mail" that things in Japan are not what they seem. "It is waste of time and it is folly," says Mr. Falk, "to talk to Japan of democracy or in terms of high-flown idealism. The average Japanese does not comprehend the meaning of democracy." This will come as a shock to readers of Viscount Ishii's speeches [in America] and of the eulogistic references to Japan of Mr. Balfour and Lord Robert Cecil. Mr. Falk has something to say on this head also. In commenting on the news sent out to Japan by wire he says: "It may be sincerely hoped that the continual outpouring of sickly and flattering patronage which has characterised British references to Japan will cease. Sensible men in Japan are not moved by it and others jump to wrong conclusions, exaggerate its importance, and become violently chauvinistic—always a danger in a country which is essentially nationalistic."

The Japanese have reached a point when they are somewhat irritated even by the flattery of foreign statesmen and politicians, for when this flattery is obviously overdone, it is taken as a reflection on the good sense of the Japanese, or as satire. This applies only to the educated class of the Japanese, who compose the Government, the university professors, the other professions, and the upper business elements. The Japanese masses are unaware of any satire in foreign flattery, for they have been told, and believe readily, that such modern scientific utilities as electricity, telephones, wireless telegraph, and machinery, are the inventions of the Japanese. Does not this credulity coincide with the belief that Japan is of divine origin and the foremost nation on earth, which is the foundation of Japanese patriotism?

A great deal has been said, and much more probably will be said in favor of allowing Japan a kind of paternal position in respect to China and other backward states, so called, in the far East. Aside from the moral and institutional characteristics of the Japanese nation as they relate to this suggestion, especially vis-a-vis a genuinely democratic country like China, there is the question of Japan's competency to fulfil such a mandate from civilization on the basis of efficiency. Japan's economic and industrial efficiency is closely connected with the Government. Dr. Uyehara writes [my italics]:

> Under such circumstances the Japanese people had been accustomed to place implicit trust in their government. Their economic conditions were never so distressing as to make them declare that "the government is of the people, by the people, and for the people." It was understood by them that the government, being an authority above, should take the initiative in all important matters of State and lead the people, and the people should follow in strict obedience. This idea is still consciously or unconsciously dominant in the minds of the Japanese masses. Hence the Japanese as a nation are like a well-disciplined army, but as individuals are little better than disbanded soldiers. This is, perhaps, the strongest and the weakest point of the Japanese nation.
>
> The excessive dependence of the people on the government, or the omnipotence of the government itself (Seifumanno-Shugi), as Mr. Shimada calls this peculiar mental habit of the people, has certain advantages and disadvantages in the development of the country.
>
> That Japan has never experienced a violent constitutional revolution in her history is, no doubt, largely due to this peculiar mental habit of her people.
>
> . . . .
>
> A close observer would, perhaps, be more struck by the socialistic tendency of the Japanese State than by its military and political achievements. Indeed, this most monarchical State is found to be most socialistic. In Japan, State initiative and supervision in industrial matters is very strong, *in spite of the fact that the Government is not responsible to the people in the strict sense of the term.* The entire postal system, telephones, and telegraphs, are owned and operated by the State; nearly all the gas, the electric, and water plants throughout the country belong to the State or to the municipality. Again, all railways are now nationalised, and even

the tobacco, salt, and camphor industries are a State monopoly. There are in Japan very few great commercial and industrial undertakings, such as banking, shipbuilding, shipping, and navigation, etc., completely carried out by private individuals. The Japanese people are habitually inclined to wait for, or to depend on governmental initiative or subsidy for a great industrial or commercial enterprise. The "Constitution," says Baron (now Viscount) Kaneko, "has been issued, and laws and codes have been brought to a certain perfection, and we now possess a complete skeleton of a State. But in the point of muscle and blood which I term the economic State, it is far from complete. It does not require much study to find out that, in spite of the satisfactory development of codes of laws and of a military system, the economic condition of our country is most discouraging."

The economic position of Japan was considerably improved during the Great War, when the country was able to have all the advantages of being one of the allies, while at the same time, in so far as feeling the strain of the war, it was almost the same as a neutral. Japanese industry received a tremendous stimulus by the war, and made great profits. Nevertheless, we find the "Japan Chronicle," in an editorial entitled "Japanese Efficiency in Practice," published on January 30, 1919, saying:

> It is remarkable that at a time when the administration in Japan itself is so bad that it seems on the verge of break-down, Japanese chauvinists should be pressing the Government to add to its responsibilities by insisting on the control of railways in Siberia. Every day they have before them evidence that the railways administration is so over-taxed that it often appears in danger of collapse. The rolling-stock is quite inadequate for the demands upon it, either of passenger or goods traffic. No proper attention is paid to the equipment of the railways, with the result that engines, carriages, and goods trucks are constantly under repair. No provision is made for times of abnormal pressure, such as at the New Year, either as regards passengers or freight. If a train loses time on its journey from some unexpected incident, no attempt ever seems to be made to make up for the time lost: a train will be timed by the schedule to stay at a certain station for ten minutes, and it will be kept there ten minutes even if a couple of hours late, for no reason whatever save that it is scheduled for that period. Connec-

tions are constantly lost. Trains coming from a long distance, such as from beyond Karuizawa to Himeji, a run of four or five hundred miles, are included in the local service of the districts through which they pass, stopping at every station on the way, with the result that, being constantly late, they simply disorganise the local traffic. As showing the lack of co-ordination, trains of empty trucks may be seen leaving an industrial centre like Osaka instead of the trucks being utilised on the return journey. No attempt seems to be made to keep the administration of the railways up to date by adopting the improved methods of foreign countries. In the majority of cases the stations are a discredit to the service; the waiting-rooms are filthily dirty, even newly-built stations like Tokyo and Yokohama rapidly deteriorating, while the latrines would in any other country be the subject of prosecution by the sanitary inspector. About the only part of the service that can be commended is the through mail trains, which are well appointed and keep time, and with these may be bracketed the electric service between Yokohama and Tokyo both for speed and punctuality. Otherwise the condition of the railways goes from bad to worse.

Instead of seeking to obtain control over the Siberian railways, and thus still further deplete its small staff of railway experts, the Japanese Government would do well to engage American or British railway experts for the reorganisation of its own lines. In the end money would be saved, while the service would be improved.

But it is not only in the matter of railways that the Government administration appears on the verge of collapse. Inefficiency is rife throughout all the departments of State organisation. It is only necessary to point to the post office and the telegraphs, to the local tramway services, to the condition of the roads, to the inadequate protection afforded by the police, in order to realise the extent of the break-down of State and local administration, etc.

Japan's policy of railway penetration of China and Siberia is of course political strategy, and has little relation, except as a means for evasion of the "open door," to economic efficiency either in those countries or in Japan. Neither has Japan's pretension to act as the representation of civilization in directing reform in China or in Siberia any genuine foundation in her administrative fitness for that work. Japan's administration of her own dependencies, Korea and Formosa, is an ill-concealed scandal. In Formosa the natives are not allowed educational advantages, for they might inculcate sentiments of revolt against Japanese rule; they are exploited as laborers for the Japanese sugar and tea planters, and acquire easily the drug habits inculcated by Japanese traders. In Korea the situation is in some respects even more reprehensible.[1]

On the evening before I was to sail from Shanghai for America, last December, a man came to see me in my apartment in the Astor House. When my servant showed him in, I at first thought that he was a Japanese dressed in foreign clothing. But he proved to be a Korean, a Christian, who had been driven by Japanese persecution to leave his native land. Disguised, he had escaped across the Yalu River into Manchuria, and had succeeded in getting through the Japanese zone into China proper. At Shanghai he was then doing Y. M. C. A. work among Koreans, and he came with a card of introduction from a friend of mine in the Y. M. C. A. organization of China. The man said that he had heard I was going to Washington and to Paris, and he came to ask a favor of me. Koreans were very anxious to have the case of Korea presented to the peace conference, and they did not know how to get it done. No Korean can leave his country except with a Japanese passport, which usually they cannot obtain. Neither during the war can they travel anywhere without a passport. Would I, he asked, take a short memorial, a presentation of Korea's appeal to the conference, and deliver it to the President of the United States or to one of the American delegates at Paris? He asked me if I thought there was any chance to have the case of Korea reopened at the conference. I told him that I thought there was slight chance for that to be done. He said that Koreans had raised a sum—about one hundred thousand dollars I think he said—to pay the expenses of a Korean delegation to go to Paris.

---

[1] Accounts of Japan's taking of Korea and her administration there are given in the author's previous books, "America and the Far Eastern Question," and "Our Eastern Question."

Some Koreans in America were to go, he said. After handing me his memorial, which was type-written, he left. In March, 1919, I read a news dispatch from Washington to the effect that the Government had refused to issue passports to some Koreans who wanted to go to Paris, because it had no right to grant passports, they being technically Japanese subjects, and Japan had objected to the passports being issued.

I have a copy of the memorial which the Korean Christian handed to me. It begins with a review of the histories of Japan and Korea and the events which led to the annexation of Korea by Japan. It then proceeds:

> The present condition of Korea may be described in three parts:
>
> 1. Spiritually.
>
> Knowing that a nation depends on the spirit of its citizens, the Japanese are trying in every way to stop our spiritual development. Christianity in Korea has been recognized as the national religion, from which we have learned the meaning of democracy and the value of liberty. Since the American missionaries introduced our people to the Saviour of the world, the number of Christians has grown steadily and so fast that there are now more than half a million of people living under the light of life. Thus Christianity is playing the most important rôle in our spiritual development. But in Korea Christianity itself is in state of persecution by the Buddhist or Shintoist rulers. For example, in 1911, about two hundred of our best Christians were arrested and imprisoned, giving the pretext of conspiracy against Terauchi, the then governor-general. To every church the Japanese send two or three spies to overhear what preachers preach and pray. On the other hand, Buddhism, Confucianism and Shintoism are strongly encouraged among the Koreans. But finding that this plan, being behind time, cannot succeed, they employ and send the Japanese pastors to Korea, not to preach but to bend their whole effort in assimilation. They even force us to worship their King as a God, to our greatest pang.
>
> There is only one newspaper in our own language in Korea, but even that is managed and published under Japanese administration. Magazines are not allowed: even though it be allowed, it cannot give any benefit to Koreans, for the protocols should be carefully examined by the police before publishing.

Public meetings are absolutely forbidden in any place and at any time. Not a single university nor a library club exists in Korea. There are four colleges being run by the government; but literature, history and politics are not taught, but merely vocational education, and they can admit no more than eight or nine hundred students. There are only three middle schools, but very low graded; moreover, all the lessons are taught in Japanese. What a waste of national ability it is! Their purpose of educating us is to enhance our loyalty to their Emperor and not to guide us to become good citizens. It is needless to say that bible teaching is not allowed in either Christian or non-Christian schools, and English is prohibited lest the Koreans know the affairs of the world, so the Koreans are both "blind" and "deaf" to the current movements of the world civilization. Under such conditions how can you expect the Koreans to be cultivated and uplifted?

2. Politically.

It is safe to say that Korea is governed by police and soldiers. We have neither rights nor liberty, but the duty of paying taxes. There is no safety even for private houses and letters. There is neither parliament nor municipality, so the wrongs done by the brutal Japanese policy are nowhere to be appealed and redressed. All the laws and affairs are made and executed by the few Japanese officers and no Koreans have any part in it. Thus you can imagine what kind of life the Koreans are living.

3. Economically,

Co-operation is the fundamental principle of economics, but the Japanese do not allow the Koreans to co-operate in developing their country. The minimum of capital is placed so high for corporations by the law that an ordinary Korean cannot afford to start it. And in case he can afford to do so, his inexperience will turn him out a failure. Thus we have no company or factory that can be called a corporation. The Koreans, in this way, are compelled to make their living by only cultivating the land. But so many Japanese immigrants are coming over every year that very soon all the land shall be occupied by them. And for lack of capital no mines are allowed to be opened by the Koreans. The Japanese announce to the world that they are helping Korea fiancially, but it is nominal; on the contrary, they are profiting greatly by exporting our national wealth to their country and imposing heavy taxes on us. Thus Korea is drained of her money and resources rapidly, and difficulty of living has therefore been the inevitable result.

Understanding that they cannot Japanize the Koreans, the Japanese are trying to destroy Korea by these cruel policies, which are their own invention. What is, then, left for Koreans to do? They are lost in a maze. Yet they are not despondent and indeed nothing can discourage them. They are struggling with all their hearts, minds and bodies for independence, justice and peace. For this we are crying to the conscience of the world, especially to the Americans who uphold the grand principles of President Wilson that a nation should be ruled in accordance with the consent of the governed. As long as Japan practices these cruel policies the world peace which we so much desire can never be realized.

In conclusion we declare that we are not conquered, but merely only cheated and destroyed by the Japanese falsehood. This same falsehood and their imperialism is going to ruin all Asia, not letting the admirable ideas of President Wilson of peace and democracy get a foothold in Asia.

Korea must be redeemed. Democracy must exist in Asia. Now, you Americans once guaranteed, in the first treaty between Korea and the United States of America some thirty years ago, the independence of Korea. Therefore we appeal to you to help us secure this same independence.

The picture of conditions in Korea given by this memorial is not overdrawn. The situation of the native inhabitants under Japan's rule actually is that of serfdom. Yet I do not see what can be done about it now, for it scarcely is probable that the powers will want to add a new complication of small nationalities to the numerous ones in Europe that they already have to deal with. Yet in principle the case of Korea is as much entitled to consideration as the case of Jugo-Slavia, Poland and Czech-Slavia. It would embarrass Japan exceedingly to have an inquiry by the conference, or by a commission of a league of nations, into her administration of Korea and Formosa. The Koreans, muzzled and suppressed as they are, nevertheless tried by popular demonstrations in March, 1919, to attract the attention of civilization to their case. When he sent his inspiring words winging around the world, President Wilson probably had little idea where they would penetrate or the hopes they would raise among far-away suppressed peoples.

The bad state of administration in Japan was emphasized in 1918 by wide-spread industrial disturbances, by strikes, and rioting. The rice riots, so called, had to be suppressed by the military, with the loss of many lives. The Government was alarmed, and took measures to cheapen the price and improve the distribution of the food consumed by the masses, granting a subsidy for the purpose. Mutterings of a social and economic upheaval are frequent in Japan. The war prosperity has made many new millionaires, and vastly increased the wealth of many former millionaires, but it has not improved the condition of the masses; and with the coming of peace a serious economic reaction is feared.

The status of foreigners in Japan is not understood in the West, where, however, a good deal is heard about the alleged discrimination of some western nations against Japanese on "race" grounds. Having given a thorough analysis of the Japanese-American emigration question in previous books, I shall refer to it only briefly here, to call attention to the fact that the laws of Japan, and the administration of justice in the courts of Japan (and also wherever Japanese courts exercise jurisdiction, as in China), discriminate against foreigners notoriously. Foreigners cannot own real property in Japan, and of late years even the right of foreigners to do business there has been made largely nominal by the enforcement of interpretations and regulations that compel them to take Japanese into partnership. As to "race equality," Chinese laborers are excluded from Japan, as they are from America and other western countries, and for the same reasons; and Korean laborers, although now subjects of Japan, are not privileged to work there when they compete with Japanese.

It is necessary in this connection to make the point clearly that the Japanese Government for years has been using this "race" and emigration question as a diplomatic "herring" across the trail of world politics. The Japanese Government never really presses for an examination and adjustment of this question, but the Japanese propaganda harps on it frequently for the purpose of raising a dust. This from the "Japan Chronicle" of February 13, 1919:

> A little story about Dean Inge has been working its way faithfully around the English papers, and from time to time turns up in the mails. The Dean met a "very interesting and intelligent" Japanese one day. It is not very flattering to Japan to think it necessary to put in the adjectives as though such qualities were unlooked-for and extraordinary, but that by the way. The Dean told his interesting and intelligent acquaintance that he thought Japan ought to join the League of Nations. On which he was asked, in reply, whether he thought that Japan had any call to disarm and join such a League when her people were not allowed to enter America and Australia as colonists. The Dean said that that was a very difficult point, but that he was afraid that the Australian and American workman would shrink from no violence to keep the Japanese out. That Chinese workmen are excluded from Japan, and that it is easier for a Japanese to purchase land in California than for a Californian to do so in Japan,—of these things the good Dean was, of course, blissfully unaware.

A point that I frequently have brought out myself in discussion of this question, also was clearly stated by the "Japan Chronicle" editorially in December, 1918:

> It has been remarked before that Japan uses the exclusion grievance rather as a diplomatic counter than as an ideal. The assiduity which Japanese Consuls abroad display in getting the children of Japanese registered as Japanese subjects betokens no very earnest desire that Japanese should have the right of naturalisation about which so much is heard from time to time. And when it comes to demanding that foreigners should have the right to demand privileges of free entry and land-ownership, the request, if made at the Peace Conference and acceded to, would have some curious results. For instance, it would give Japanese employers the right to import Chinese labour, which they would be very ready to do on account of its cheapness and tractability. It would give Chinese the right to buy land and engage in agriculture in Japan—a right which at present is most jealously guarded as the exclusive privilege of natives of the soil. In a country so well filled as Japan there is the minimum danger from the competition of foreign labour of any sort, and there is far less difference between the wages of the Chinese labourer and

those of the Japanese than there is between those of the Japanese and those of the Californian. Yet, though the Japanese are extremely exclusive themselves, they work up a fine fever of insulted dignity when it is made difficult for them to acquire land in America. The Japanese themselves, however, acknowledge the expediency of special restrictions on the influx of strangers in sparsely populated tracts, for in the famous Foreign Land-ownership Act, which is kept for show but not for use, the Hokkaido is specially excluded, apparently lest any foreigner come in and develop on a large scale.

There can be little doubt that, were Japan to make her land as accessible to strangers as she would like to see that of California, there would be serious economic difficulties through Chinese competition. Nor would her present position abroad be greatly improved by the concessions demanded. Chinese and Korean competition would follow them wherever they went, and while in many cases the Japanese by smartness and handiness would be able to win their way, they would find freedom for Chinese labour in the countries to which they most desire to emigrate a heavier burden than the present restrictions on any entry of Asiatics at all. Emigration to Korea and Manchuria is not very popular because, in spite of all the encouragement given, the advantages offered, and the great possibilities of the soil, the Japanese find it very hard to compete against the natives. They would not find it less hard if every kind of Asiatic from lands just as crowded as Japan were free to enter the various Promised Lands along with them.

I would not give the impression that there is no sentiment among Japanese in favor of more liberal political institutions or of ''democratic'' institutions. Such sentiment exists among a small group of educated men and advanced thinkers, but they seldom dare to express those views, and then qualifiedly. Some commentators, however, profess to perceive in Japan the stirrings of genuine democratic and constitutional inclinations. This alleged disposition became apparent especially after the defeat of the Central alliance was certain. Writing in the December (1918) number of ''Nihon Yujiro Nihomjin'' (Japan and Japanese), Dr. Yujiro Miyake, one of the most inflential editors in Japan, predicted that Germany's downfall would bring the downfall of the bureaucracy in Japan. He wrote:

It is difficult to define what we call bureaucrats in Japan, but practically they are those who belong to the Choshu and Satsuma clans, having controlling power over the Privy Council and the House of Peers as well as to a certain extent over the governmental offices. They say that Prince Yamagata leads the Japanese bureaucrats, but we say more correctly that a certain number of men lead the faction in the name of Prince Yamagata.

The fundamental idea of Japanese bureaucracy is the superiority of government or officials of the government over the people. They think that officials are superior to commoners in all respects, so that they are always afraid of the appearance of the abler, greater and more influential men outside of their own circle.

The Japanese Army was organized in accordance with the German system. So with Japanese politics, laws, science and everything else. Thus Japan was Germanized. The admirers of the German military system were apt to think that the German political system would be the best in the world, just as her military system was. The followers of the German science, on the other hand, blindly declared that Japan should follow Germany in all departments of her national activity.

. . . .

We are, indeed, glad that our countrymen have gradually realized their fallacies, as the result of the Allied victory and the downfall of German militarism. Amongst all, those of the medical circle were first awakened. Except Japanese physicians of an older generation, who still stick to the German method, men of the younger generations are now looking for the source of their learnings in France, England and America. Next, the military circle is awakening, slowly though, and Japanese military authorities now recognize the strength of the French Army. But it may take some time before they realize fully why the British and American armies are strong and useful.

The last to awaken are those of the political circle, especially the bureacrats. They are now struck dumb with amazement. They now have no time to think over the situation. Indeed, the change is too great and too astonishing to them. We are earnestly awaiting the time when they will finally realize the whole thing. But, is it possible? We are glad, however, that the people have already awakened. They do not see the bureaucrats with the same eyes with which the bureaucrats see them. The general situation has changed, no matter whether militarists or bureaucrats are still dreaming their old dreams.

The illusions about Japan which have been, and still are to a great extent, prevalent in western countries are due to a combination of causes and circumstances, but the chief reason for them has been the propaganda conducted in western countries, indeed throughout the whole world, by the Japanese Government. As an English writer put it some years ago, Japan is past-master of the art of ''window-dressing.'' The task of Japan's national propaganda has been to ''window dress'' that country, its national characteristics, institutions, ideals, purposes, and acts. Its success has been remarkable. As an example of this ''window-dressing,'' take the Japanese railways in Korea and Manchuria. They were equipped with the latest American cars, Pullmans and diners. At all places where tourists are likely to stop, the railways have built and operate good hotels. Tourists are amazed to find at places like Seoul, Mukden, Dairen, Port Arthur, and Changchun, modern hotels, with staffs of well-trained servants. They naturally contrast these up-to-date methods with conditions on the Chinese government railways, and conclude that Japan is progressive and efficient while China is unprogressive and inefficient. Tourists do not know, or seldom think about those trains and those hotels being Japanese national propaganda; that they are run at a heavy loss, the deficits being made up by the Japanese Government. Equally wrong conclusions often are made about the visible evidences of Japanese progressiveness in those parts of China where Japan has established a firm foothold, as in Manchuria and Shantung; or what transpires in Korea and Formosa behind the screen of obvious material development.

I believe that the Japanese Government is sincere in some of its professions of changes of policy made since the downfall of the Central alliance: *but it is merely a change of policy, not a change of heart.* Moreover, it is a change of policy not from moral conviction, but for expediency and under compulsion, or the fear of compulsion. Japan's foreign friendships go whatever way her advantage lies, or in some phases her friendship moves in the line of which nation she fears; that is, *Japan is inclined to line up with power.* She was becoming indifferent to the friendship and opinion of America while America was relatively weak among the powers, or was considered so. She began again to value the friendship and opinion of America from the moment it was evident that America would become formidable in a naval and military way, which would give force in world politics to the vast economic resources and man power and wealth of America.

In a private memorandum which I wrote in the autumn of 1917, in connection of certain remarks made to me by Viscount Motono, then Japanese minister of foreign affairs, I said:

> Thus, for the first time since the writer has had a knowledge of Eastern conditions, the United States really holds the balance of power in that region, if it chooses to exercise it. The dependence of France and England on America in bringing an end of the war in their favor makes those nations amenable to just suggestions from America relating to the Eastern question.
>
> As to Japan's sincerity in her present professions of a change of policy in China, it should not be forgotten why she has changed and what caused her to change; nor should there be any relaxation of the conditions that give power over and pressure on her. Even if it is taken for true that the statements given by Viscount Motono to me represent a genuine and sincere reversal of attitude, it must be borne in mind that as yet this reversal is *only in attitude*, and is not yet translated into practice. Moreover, it should not be presumed that even a genuine reversal of opinion by a small group of Japanese statesmen can at once undo with the mass psychology of the Japanese nation the results of years of cultivation of a totally different thesis of national power and expansion. The Japanese, having for a generation been taught to dream of imperial power and expansion by the sword, will not at once mentally consent to accept a comparatively minor place in the world: for there can be hardly any doubt, if disarmament comes and nations hereafter must develop according to peaceful economic laws, that such a condition will consign Japan to be a second or third class nation. Therefore, whatever Japanese statesmen and propaganda may utter now, it must be kept in mind that their hearts have not changed, and that it will take years before they will become reconciled to accept a

lesser place in the world than their own exaggerated ambitions and the fulsome compliments of western writers have taught them to aspire to. During this period of readjustment it can be expected that, secretly, they will constantly be plotting and planning to gain advantage along the line of their old [Prussian] theorem of national expansion, and only constant vigilance will be able to hold them in check.

The Japanese Government's subsequent policy in China showed how accurately I estimated its alleged change of heart in 1917.

Japan's attitude to a league of nations eventually will depend on what such a league turns out to be. If the idea is adopted by the principal Allied powers, then Japan also will accept it, at least temporaily, for she would be isolated otherwise. One thing is clear: if such a league enforces proportional disarmament, Japan will be very much chagrined, and will evade those provisions if she can. Already the expressions of Japanese statesmen and officials distinctly foreshadow that attitude. For to reduce her armaments materially will deprive Japan of her only genuine title to rank as a "power." Marquis Okuma, when he last was premier of Japan, in 1915, wrote in "Shin Nijon": "Diplomacy, to be really effective and successful, must be backed up by sufficient national strength. It is only ten or fifteen years since Japanese diplomacy began to carry weight with foreign countries, and it began from the time that western powers commenced to recognize Japan's military strength."

The Japanese Government to-day, notwithstanding the Great War, its outcome and its lessons, cannot conceive international politics carried on except by the old methods and gaged by the old reckonings. It will be many years before Japan, as well as Germany, actually can revise her national character to accept and meet new conditions.

CHAPTER III

JAPAN'S POLICY IN THE GREAT WAR

A devious course—A policy of opportunism—How it was circumscribed—Japan's rating of other nations—"Powers" and lesser nations—America not a "power"—Why Japan entered the war—Not so obligated by Anglo-Japanese Alliance—No quarrel with or hostility to Germany—Japan's forehandedness in declaring war—Her motives analyzed—Periods of Japan's war policy—Its various motivations—Governed by expediency and opportunity—Lessons of the war—Making Japan's army and navy obsolete—How foreigners in the East view Japan—Destruction of former international standards—The anti-British agitation in Japan—Control of publicity by the Government—Secret diplomacy in wartime—The secret treaty with Russia—Putting pressure on her allies—Using the German entente possibility—Oblique methods—The veto of events—Entrance of America in the war—The Russian revolution—A German-Russo-Japanese entente—Count Terauchi's views—Baron Goto's opinions—Pro-German sentiment in Japan—Japan's position at the peace conference—What she really wants—Fear of political and moral isolation—The question of Kiaochou.

JAPAN'S course during the war was so devious and at times so oblique that only by keeping clearly in mind its ruling motive is her policy comprehensible. That ruling motive was imperial aggrandizement.

When hostilities began, the Japanese Government probably may have been surprised at the suddenness of the outbreak, but it was not caught unprepared. Such a situation, while perhaps not actually expected to happen soon, long had been calculated on; just as in Europe the German Government had every possibility of the situation there checked up and an orderly plan ready-made to handle it. Japanese statesmen were fully apprised (far better than, for instance, the American Government was) of the exact niceties of the balance of power in Europe; how the nations probably would take sides according to their different interests, ambitions, compulsions, and alliances; and the military preparations and resources of all of them. In the event of a great European war, the Japanese Government had previously calculated the resultant situation and how it would affect Japan's own imperial aims. The writings and other utterances of leading Japanese statesmen, publicists, professors, and military experts within the last twenty years reveal this unmistakably.

Japan's imperial opportunity, with Europe occupied and exhausting itself in a gigantic war, of course was quite definitely circumscribed by geographical and other conditions. Although many Japanese writers and some politicians indulged in, and at times gave expression to, wild dreams of world dominion, practical Japanese statesmanship confined its plans within limits. Looking eastward, the probability of acquisition did not extend beyond some islands in the Pacific. Looking to the south, Japan had very definitely included the Dutch East Indies within the scope of her possible expansion. Siberia contained distinct possibilities. But incomparably the greatest field for Japan's imperial expansion lay to the west, in China.

With respect to the conditions by which Japan's imperial expansion program could be worked out, Japanese statesmanship naturally was guided by the generally accepted tenets of diplomacy and military science as they were held when the great war began and by the status and characteristics of nations as they existed then. Certain nations were classed as "powers," and the other nations were variously graded as second class, third class, trailing off into weak and backward states and uncivilized peoples. By Japan's computation (I have seen a confidential memorandum giving the rating of nations as calculated by the Japanese army and navy staffs in 1912) the United States was rated a second-class nation, not as a power. The powers were, first, Germany; then, Great Britain, Russia, and France, and of course Japan herself. The United States was not rated as a power, because that nation had hardly any army, and its navy was not being kept up. It is evident that Japan then expected that the cult known as pacifism would be able to control the military and naval policies of the United States. Japanese statesmen and thinkers—many of their writings show this—also were counting on the extension of the voting suffrage to women in America further to weaken the fighting impulses of our nation and to place it permanently among the weaker nations. As to military and naval power, these were estimated according to the existing ideas of the experts as to tactics, arms, and the elements of military strength.

Among the powers Japan had an open alliance with one of the greatest of them, Great Britain, which applied to the far East and India. It has been generally believed in America, and also elsewhere, that Japan entered the war because she was required to do so by the Anglo-Japanese Alliance. That is not correct, although at the time it entered the war and for some time afterward the Japanese Government distinctly gave out that impression. This attitude was maintained as long as it served Japan's purposes; but later, after America had entered the war and was aiding the cause of the Allies in an unselfish way, an attempt was made to show that Japan had entered the war solely from motives of lofty principle. In a speech made at Boston on the Fourth of July, 1917, Viscount Ishii, then on a special mission to America, stated definitely that Japan was not obligated to enter the war by the terms of the alliance with Great Britain, but had done so because she recognized the peril to the world which a victory of Germany would bring. This habit of the Japanese Government of adapting its announced motives to suit the circumstances is very well exposed by some editorial comment of the "Japan Chronicle":

> Viscount Ishii, of course, is making [in America] just the sort of speeches that is liked by people who like that sort of thing. His ascription of the rumours of a Japanese-German *rapprochement* to German intrigue is rather hard on Mr. Gregory Mason, as the famous interview with Count Terauchi is the only thing in the way of

such a rumour that has been heard for some time. Two years ago, Viscount Ishii suggested to the American Ambassador as directly as he could that Germany was at the bottom of every mischief-making rumour, and now he makes the remarkable statement that in mid-Pacific his slumbers were disturbed by the question, "Are you going into alliance with Germany?" There must be Germans concealed under the bunks in the trans-Pacific liners to disturb the thoughts of passengers with evil suggestions—something like the serpent whispering in the ear of the sleeping Eve. However, perhaps, like the serpent, the voice that disturbed the Viscount was only an allegory.

What is a good deal more interesting is that Viscount Ishii stated in his Fourth of July speech that there was nothing in the Anglo-Japanese Alliance which compelled Japan to participate in the war. That is the view that has always seemed obvious, though some of the highest authorities have declared that Japan entered the war "in accordance with the obligations of the Anglo-Japanese Treaty." When, on one occasion, we pointed out that had participation been obligatory under the treaty Japan would have come in automatically instead of coming in only contingently after Germany had rejected the terms of her ultimatum, we were very severely admonished in the Japanese press, and the terms of the declaration of war were quoted to show how malicious we were. But here is Viscount Ishii officially repudiating the obligation! It is of course all the more creditable to Japan that no treaty obligation was needed, but that is not how many prominent Japanese have regarded the matter hitherto.

The circumstances through which Japan entered the war were extensively considered in a previous book of mine ("Our Eastern Question," 1916), and the subject is given further mention later in this work. At this point I am only trying to disclose the obscurantism of Japan's diplomacy relating to the war. It can be taken now as officially established that Japan did not enter the war because required so to do by the Anglo-Japanese Alliance. Therefore, when war started in Europe, Japan had no quarrel with Germany and no apparent cause to go to war against her. Germany had given to Japan absolutely no provocation for war that ever has been disclosed. So if Japan then decided to make war on Germany it was for some purpose of her own that was not connected with the causes of the war in Europe, except that the war in

Europe gave Japan an opportunity to attack nations safely that otherwise she would not have ventured to assail. The great war made it possible for Japan to take possession of such possessions as Germany had in the Pacific Ocean and in China before they could be taken by the nations already at war against Germany. As a matter of fact, the possibility that Japan would seize this opportunity was not overlooked by the Allied powers. In order to forestall a British occupation of the German islands in the Pacific, a Japanese naval force was despatched to occupy them before an answer was received to Japan's ultimatum to Germany, and the arrival of the naval squadron was immediately followed by a number of Japanese merchant ships loaded with Japanese immigrants and their possessions prepared for permanent settlement. A reckoning of the speed of these ships, and taking the time of their arrival at the islands, shows that they must have left Japan *before* the declaration of war against Germany. That was forehandedness quite up to the Prussian standard, and almost equal in efficiency to Japan's forehandedness in attacking Russia, in 1904, before severing diplomatic relations.

Japan's motives were obvious enough to those who understand far Eastern conditions. There were some desirable possessions of a nation engaged in the European war lying easily accessible to a Japanese occupation. The alinement of the powers in the war clearly indicated that within a few months Germany would be cut off from the sea because of the great naval preponderance of the nations arrayed against her; and then in due course the Caroline and Marshall islands, and possibly Tsingtau too, would fall into the hands of one of the European allies. Japan did not want that to happen, and neither did she want the Kiaochou leasehold to revert to China if there was a possibility of obtaining it for herself. To seize the German possessions in the Pacific and China of course required Japan to declare war on Germany. Japan had no hostility to Germany. Quite the contrary, for of all Western nations the Japanese, especially the governing class, admired Germany the most. Furthermore, most Japanese military experts believed that Germany ultimately would win the war. In that case it would be possible after the war for Japan to adjust matters with Germany by negotiation; she could take chances on that. Meanwhile there was virtually no danger in taking over Germany's possessions in China and the Pacific. That was the reasoning of Japanese statesmanship on the question of participation in the war, as was conclusively demonstrated by the circumstances and by Japan's subsequent actions.

It is possible now, moreover, to get some perspective on the motives of Japan at the beginning of the war by revelations that are constantly being made of what she hopes to obtain in the peace terms. This volume could be filled with quotations from the writings and speeches of Japanese statesmen, leading educators, politicians, and publicists on these questions; but I shall take as a typical view one recently expressed by a leading member of the Diet. I quote from an editorial of the "Japan Chronicle" of December 26, 1918:

> Imperialism and aggression, which were to come to an end with this war, have seldom received more frank expression—not even by Treitschke and Bernhardi—than in the speech which Mr. Hamada, Vice-President of the House of Representatives, recently delivered at a meeting in Hyogo of the Kokuminto. As reported by Japanese papers, Mr. Hamada said that at the Peace Conference Japan's attention must be directed to questions relating to the permanent possession of the South Sea Islands now under occupation, the securing of rights and interests in Tsingtau, and the control of the Chinese Eastern Railway. He admitted that if the principle of no-indemnities and no-annexations, which he wrongly attributed to President Wilson, were endorsed by the Peace Conference, it would be difficult to carry these points. Still, he thought that if Japan's delegates were sufficiently persistent, they might be able to accomplish all that Japan required. As America had a scheme of naval expansion, which in his opinion was designed with a view to counteracting the influence of the British navy, so Japan must expand her navy to counterbalance the navy of America. Apparently, in Mr. Hamada's opinion, this project would receive the support of Britain, and thus Japan's object of extending her territory would be attained,

for such a scheme of naval expansion would make it imperative for Japan to retain possession of the South Sea Islands as a naval station. With unabashed cynicism, and apparently with that strange confidence often shown that Japanese is a secret and unknown tongue, he went on to suggest how Japan's promise to retrocede Tsingtau might be kept in the letter without affecting the ultimate aim of establishing Japanese control. Tsingtau, he said, "may be retroceded to China, so far as formality is concerned, . . . but steps must at the same time be taken to arrange with China for keeping the territory as a base for the Japanese fleet and succeeding to all the rights and interests possessed by Germany prior to the war." Aganist what menace is this Japanese naval station on the Chinese coast to be maintained? Is America the enemy or is it China that must be kept in subjection? Mr. Hamada, Vice-President of the House of Representatives, confines himself to the declaration that these steps are necessary for Japan's national defence and her economic development in China. Furthermore, it is essential in his opinion for Japan to take control of the Chinese Eastern Railway "for the purpose of Japan's national defence," just as the Germans in 1871 annexed Alsace-Lorraine in order that the frontier of the Fatherland might be rendered safe. Mr. Hamada claimed that the dispatch of Japanese troops to Siberia justified her claim to the control of the Chinese Eastern Railway, and that if she failed to secure it "her intervention in Siberia was at once meaningless and a failure." Of any idea that the expedition was to assist the Allies by extirpating German influence in Siberia and suppressing the thousands of German prisoners of whom so much was heard prior to the expedition, there is no evidence at all in Mr. Hamada's speech. In his view the Siberian campaign was undertaken by Japan to obtain certain territorial and economic advantages, and he scolds the Kenseikai for opposing an expedition that had such objects in view.

The view expressed by this important member of the Diet is not exceptional, but beyond doubt expresses the real sentiments of a great majority of politically intelligent Japanese, and it is the view expressed by at least ninety per cent. of published comments on these topics of leading Japanese and the Japanese press in the course of the war.

With such motives and objects, Japan's war policy became subject solely to expediency as applied to those motives and objects, which is to say that it varied according to circumstances. The variations of the policy can be comprehended by dividing it into periods, which I differentiate as follows:

(a) Period of military calculation on old lines.

(b) Period of direct intimidation of China.

(c) Period of comprehension of the part of resources, industry, and finance in modern war.

(d) Effects of these developments on Japanese political thought.

(e) Period of belief in a victory of Germany.

(f) Anti-British period.

(g) Entrance of America into the war.

(h) The collapse of Russia.

(i) Period of pot-hunting and claim-jumping in China.

(j) Period of Siberian developments.

(k) The collapse of autocracy.

These so-called periods, or some of them, more or less overlapped one another, yet each represents a distinguishable phase of Japanese political opinion and motivation with regard to the war. The progress of military operations in Europe soon revealed that many theories of tactics and armament upon which the previously existing military organizations were predicated must be relegated in favor of new tactics and appliances. The war was scarcely two years old when it became evident that Japan's army and navy were out of date. That of course could be remedied in time; meanwhile the country had been drained of surplus supplies, arms, and munitions to sell them to Russia. But the thing that impressed Japanese statesmen more strongly was the demonstration that no nation lacking ample supplies of certain raw materials, and an efficient and highly specialized economic organization, could hope successfully to wage war against nations possessing those resources. In short, Japanese experts began to understand that according to the new standards Japan was not a power, but in reality was a second-class nation. How was this to be remedied? The chief elements of national sufficiency on a modern war-making basis are not possessed by Japan within her present territories. They are possessed by China, and also are to be found in Siberia. Incidentally they exist in some degree in the Philippines; but acquisition of those islands by Japan has been dismissed as a possibility since the demonstration of America's war-making strength. These considerations gave fresh impetus to Japan's Asian continental policy, and caused her to extend efforts to control the iron, coal, and oil resources of China and Siberia.

I think it will be interesting and illuminating to insert at this place some extracts from a letter—the italics are mine—written in 1918 by a leading American resident in China to a friend in the United States. I withhold the names of the writer and the recipient, but vouch for the authenticity of the letter:

> Several months have passed since my last letter to you because I have taken it for granted that your thoughts and interests must be concentrated upon the more decisively important events at home and in Europe; but while the attention of the western world has been absorbed in that struggle, the East has been undergoing a no less important development of its own: or rather, Japan has been taking full advantage of the critical situation of her allies, first, to demand and obtain a comparative free hand in the Extreme East and particularly in China, and secondly, to use this advantage to her own exclusive benefit in obvious detriment to China especially and scarcely less so to the dominant nations of the West. Japan has worked assiduously and skillfully, but the factor which above all (except her geographical propinquity, her instinctive understanding of Asiatic psychology and her detachment from the West) has given her temporary superiority over the white races *is the utter unscrupulousness and the lack of all principle which characterize her policy and actions*, together with her willingness and ability to face and deal with men and facts as they are, and not (as we Americans are so apt to do) as we would like to believe them. *Neither in the minds of Japan's leaders nor in the public opinion of the nation as a whole has there yet been developed any trace of international honor, or of that altruism towards weak or subject nations which is so striking a feature of our own foreign policy.*
>
> Japan's rise from Mediævalism is too recent, and in the twentieth century she presents the interesting spectacle of a pirate nation, pursuing a purely opportunist policy—a striking counterpart here

in the East to the role which Germany has played during the present generation in the West. In fact, so similar have been the policies which have actuated both those nations that it is startling until we remember that throughout her entire modern rise Japan has taken Germany as her pattern and has founded her present structure on an essentially Prussian model. It would be easy and not uninteresting to trace the parallel between modern Prussianism and modern Japan: not merely in military and naval affairs, but in the entire system and principle of government; in the federal control of education, warped and twisted to unprincipled national aims and which eliminates free thought and internal criticism; in the making of treaties with the mental reservation to adhere only to such of the provisions as would be clear advantage to itself and to disregard them utterly when it might seem advantageous to do so, and with true Prussian disregard of all restraining morality; and, *among other things by the conduct of a very expensive and insidious propaganda in foreign countries.*

In this last Japan has far surpassed her teacher, probably because of a more acute realization of the difficulty of the task; and it is in America where the Japanese propaganda has been most active and where, so far as we can judge, it has been marvelously successful. . . . The Japanese propaganda constitutes a danger more subtle but of scarcely less importance to America and the white races—to what we might call the whole corpus of Anglo-Saxon political philosophy—than that which we are now combating openly in Europe; and to the success of this propaganda America seems to lend itself easily, almost greedily, by its comfortable pacifism and especially by its lack of interest and lack of fixed and continuing policy in foreign affairs, aided to an extent by certain American business interests the success of whose immediate plans in Japan or connected with Japan would be endangered by any diminution of cordiality. Americans are inclined to believe only what they want to believe (or at least so it seems to us out here), and accept with eagerness every verbal protestation of Japan's friendship and good will, and even of her altruism toward China and good faith toward her allies in far Eastern affairs; *and the times when these protestations become more frequent and more fulsome almost always indicate the times when Japan's actions to the contrary are more obvious and drastic.* The soothing vapourings of Ishii, for instance, in reference to developments in China and Japan's attitude thereto are so diametrically opposed to the truth as to cause utter incredulity among Americans here that they could possibly be taken seriously at home.

Japan's influence in the American press is easier to understand.

The influence of some few papers (possibly the ———) may have been bought outright. An American editor of national influence who passed through the East a few months ago stated privately that he was made a definite offer of $200,000 to promote in America the interests of Japan, it being specially explained to him that he would be asked to print no lies made out of the whole cloth, but only to suppress, minimize, or to explain away everything unfavorable to Japan, and at the same time to feature in a skillful manner whatever might tend to increase American confidence and trust in Japan. If Japan had gone no further her methods would merely have been of Prussian crudeness, but her skill lay in the campaign which had preceded the offer. Before this editor had left the United States, before he had even contemplated the trip, he began to meet, apparently by chance, an increasing number of Japanese and Americans who had traveled in Japan, who persuaded him that the distrust of Japan was due merely to racial antagonism and to the misunderstanding resulting from mutual ignorance, and that he would perform a very real service for America and for the peace of the world by going to Japan and making himself an authority on the whole far Eastern question. During his stay in Japan he was received with the simply charming hospitality which the Japanese accord to all foreigners of any possible influence, and was apparently given access to all shades of Japanese opinion. . . . It was all done with German thoroughness of detail and with Japanese skill, and, man of broad training as he was, he was led to convince himself that he would be doing a patriotic duty as an American to conduct his paper on a pro-Japanese policy. There was no hint of a bribe in the way the financial offer was made; and it was only after he left Japan that he was able mentally to orient himself. . . . The pro-Japanese policy of the ——— for many years is believed to have had its origin in the captivating hospitality and courtesy showered on ——— when he visited Japan. No one who knew him even by his writings supposes for a second that he was bribed. . . . In Japan (another example of Prussian thoroughness) there is a highly organized system for the entertainment and proper instruction of prominent foreign tourists. The most dangerous, because the most misinformed person, is the tourist who has spent a few weeks in Japan. Many foreigners have fallen easy prey to this method, notably ——— ———, who was decorated with the Sacred Treasure for advocating in America a Japanese trusteeship for China. . . .

The latest activity of Japan's propaganda was her effort to secure the consent of the other allied Powers for an exclusive Japanese intervention in Siberia, which, were she once in possession she would never let go, and which would place her in direct touch with Russia and Germany, and thus in a position to extort new benefits for herself from her present allies, and eventually to consolidate a Russian-German-Japanese alliance. This is far from being an idle dream, or the nightmare of a Japanophobe. By many of the sanest students of the far East it is regarded as the greatest menace of the immediate future. It is well known that Japan keeps in close touch with Berlin, ready perhaps to switch over at any time it would advantage her to do so; a policy of extorting benefits from the Allies to remain with them while playing with Germany by remaining inactive. Out here it is believed that America's entrance prevented such a shift by Japan at the time of the Russian collapse.

Following the realization that the war was destroying many of the formerly accepted standards of comparative military and naval power, came a generally accepted belief among Japanese, and in the Japanese Government, that the Central powers would win the war. The Japanese Government was not at all dismayed by that possibility; in fact, one scarcely can doubt that they would have preferred such an outcome to an Allied victory, although a stalemate of mutual exhaustion, with its comparative augmentation of Japan's military power and international influence, probably would be preferred to any other result. With Europe exhausted and divided into two comparatively equal groups of hostile nations, Japan's diplomatic position would be much enhanced because of her increased value to whatever side she would decide to ally herself.

With that contingency in view, it became evident that the existing Anglo-Japanese Alliance might become an embarrassment, for it would cripple Japan's freedom to make new arrangements provided the result of the war should make such a course expedient and advantageous. These, it hardly can be doubted, were the ideas and motives that actuated the remarkable wave of anti-British sentiment and criticism which pervaded Japan in 1915 and extended into 1916. I gave considerable attention to this topic in my last previous book ("Our Eastern Question"), and I shall limit reference to it here to some quotations from "The Far East Unveiled," by Frederic Coleman, F.R.G.S., published in 1918. Mr. Coleman was during almost the whole period of the war an important agent of British war propaganda, and he twice visited the far East on that mission. His full reports to the British Government would be interesting, and his two books containing his observations may be taken to represent such matter as the British Government desired or was willing to have published during the war. In the chapter entitled, "An Anti-British Campaign," Mr. Coleman wrote:

> "No Englishman will ever forget the anti-British campaign in the Japanese press when Britain was fighting for her life."
>
> The speaker was one of the most prominent Englishmen in the far East. His voice vibrated with emotion as he spoke, though his tone was low and his manner quiet and thoughtful. I knew that he was not given to impulsive and careless utterances.
>
> "I have been given to understand by prominent Japanese," I said, "that the press campaign that criticized England so severely and advocated the abrogation or sweeping revision of the Anglo-Japanese alliance emanated from and was conducted by a most irresponsible section of the press."
>
> "That is not true," was the reply. "The paper that began the business was 'The Yamato,' a Tokio paper that certainly could not be termed a particularly influential one. But the rest of the press of Tokio, with hardly an exception, joined in the hue and cry. Are you surprised that we felt it deeply? Is it not natural that we should look for friendly sympathy from an ally at a time when we were engrossed in a struggle for our very existence? Is it to be wondered that when we received a stab in the back, instead of the support for which we had a right to look, the knife should go deep and leave a nasty scar?"
>
> That those unfamiliar with the press campaign that caused so much heartburning among the more thoughtful of the English residents of Japan may grasp its full meaning, I quote the following paragraphs from a pamphlet of English authorship published in Tokio as an answer to a Japanese magazine article on the subject.
>
> "Article VI, of the Anglo-Japanese Agreement says, 'The present Agreement will remain in force for ten years (from 1911).' The same Article continues: 'If when the date for its expiration ar-

rives, either Ally is engaged in war the Alliance shall continue until peace is declared.' Nothing would seem to be plainer.

"The ordinary newspaper reader throughout the world interprets the present agitation in Japan for the abrogation of the Anglo-Japanese Agreement as:

"(1) An attempt to get rid of an Agreement which has not run for more than half the number of years contracted for.

"(2) An attempt to get rid of it in war time, which it had been expressly agreed should not be done.

"(3) An attempt to get rid of it because some Japanese think that Japan could do better for herself in China if no Agreement existed.

"(4) An attempt to get rid of it because some Japanese think Great Britain is not doing well in the war or is not going to do well. In other words, that the attitude of the Japanese will be different when the British navy wipes out the German fleet, or when Germany is driven from France.

"(5) An attempt to get rid of it which continued for many months without, apparently, being reproved."

. . . .

The Japanese I talked with admitted that an anti-British press campaign, advocating openly the abrogation or revolutionary revision of the Anglo-Japanese treaty, took place in Japan when Britain was at war. But they minimized the importance of the papers that took part in it, declared it was aimed against the English in the far East rather than against Britain as a power, and said the obscure press was out from under any real control and not worth bothering one's head about.

The Englishmen in Japan did not pass over the subject so lightly. The quieter the Englishman the more deeply he felt the disloyalty of the attack.

The fact that the campaign took place did not tend to better feeling between English and Japanese in the far East. That is a pity, for the feeling, without such extraneous aids to make it bitter, was quite sufficiently unsympathetic one for the other.

No person who is familiar with the conditions and regulations under which newspapers are published in Japan credits for a moment the assertion that the anti-British agitation in Japan during the war was made against the wishes of the Government. Those who criticized the alliance with Great

Britain and advocated its repeal or drastic revision included prominent Japanese politicians, leading educators, men prominent in business, and even some men in the Government. The control of the Japanese Government over the press in Japan is virtually absolute in peace as well as in war. Editions of newspapers frequently are suppressed for the most trivial infractions of regulations, for actions that arbitrarily are construed by the authorities to infract regulations, or in some cases for alleged infractions of regulations that never have been issued. Nearly every newspaper in Japan has a "jail editor," a Japanese employed to take responsibility for its infractions of the regulations and suffer the penalty. Within the last twelve months a foreign editor in Japan has been convicted and sentenced to prison for publishing an extract from a foreign newspaper discussing political institutions in Japan. As an example, of which I could give hundreds, of how the Japanese Government controls publicity in Japan, take the following editorial comment of "The Japan Chronicle":

> By an unfortunate coincidence, in the same issue in which we were telegraphically informed that Viscount Ishii [in America] once more declared Japan to be using her efforts to attain an international democracy, there appeared a paragraph reporting a sequel to the Tagawa case. Now in that case it is very difficult to see any tendency towards the extension of democracy in Japan, whatever may be wished internationally. Mr. Tagawa, M. P., who was Under-Secretary to the Judicial Department in the Okuma Administration, wrote an article criticising the Genro for interfering in the selection of a new Cabinet, which Mr. Tagawa maintained was an Imperial prerogative. The article was temperate in tone and to most people would appear a moderate essay on a constitutional issue. Nevertheless Mr. Tagawa was prosecuted and sentenced to a term of five months' imprisonment, which was finally confirmed by the Court of Cassation. A number of his friends, including Mr. Ozaki Yukio, formerly Minister for Justice, thereupon contributed to a Tokyo magazine a series of appreciations of Mr. Tagawa's character. This has offended the authorities, and the Editor of the magazine has been called to the Procurator's Office for examination,

the expectation being that a prosecution will ensue on a charge of defending a criminal.

The inference is that in Japan it is not only illegal to criticise the Elder Statesmen for what is, rightly or wrongly, regarded as unconstitutional action, but dangerous to express sympathy with one who has been sentenced to imprisonment for the use of very elementary rights of free speech.

We should be glad to find Viscount Ishii delivering an essay to Americans on the principles of democracy as illustrated by the Tagawa case. Probably if his attention were directed to it he would say that it was all part of the German intrigue to divide the Allies. In this category we must place the San Francisco school trouble, the alien land laws in certain States, and the Twenty-One Demands on China by Japan. The Germans are certainly a wonderful people.

All the Englishmen with whom I have discussed the anti-British agitation in Japan are emphatically of the opinion that it was instigated and privately steered by the Japanese Government, which suppressed it when it had served the purpose it was designed for. That purpose was to impress upon Great Britain and the Allies in Europe that it was necessary to satisfy Japan in order to hold her with the Allies. The military situation in Europe at that time was especially favorable to enable Japan to put this psychological pressure on her allies. Russia's military strength had been broken. Serbia had been crushed, the Dardanelles expedition had failed, and the Central alliance had been strengthened by the addition of Bulgaria. Germany without apparent difficulty was holding her own on the western front and was able to make steady headway on the eastern front. There was little visible prospect of an acquisition of strength to the Allies that would change the balance in their favor. (Japan might have supplied it, but had no thought of doing so.) As regarded by Japanese, America was incurably pacific and would not enter the war under any provocation. Moreover, the Japanese Government knew about the secret agreements that were being made among the European Allied governments, whereby the demands of Russia, and later of Italy, were conceded by

France and Great Britain, in return for concessions or military support. If Russia and Italy could press for acquisitory gains in the event of a victory of the Allies and as compensation for participation in the war, why should not Japan also take advantage of the predicament of Europe to obtain her bit?

To Japanese in general, and also to Japanese statesmen, the moral issues of the war as voiced by European statesmen were merely political platitudes uttered under pressure of expediency, and for effect upon the common sort of mankind and neutral nations, and which bore slight relation to the real objects of governments in prosecuting the war or to the settlement of its issues. Japan's knowledge of diplomacy and world politics had been learned in the European school, the school of Talleyrand and Metternich. Japanese statesmen had studied the history of Europe, its previous wars, and its previous treaties of peace; and they absolutely were unable to conceive that a new set of principles for adjusting the issues of a war would or could be adopted in this case. So Japan worked steadily through the war to seize any opportunity that came to strengthen her position in world politics, and to safeguard it by agreements with other powers, and to create trading-points to use at the peace conference. In doing this Japan almost brazenly utilized the possibility that she could, if she wanted to, at any time make a separate peace and a subsequent alliance with Germany as a lever on her allies. Why should she not? Other nations in the Allied group had done it.

Early in 1916 the Japanese Government thought the time auspicious to get certain issues adjusted with Russia, and it moved accordingly. In that case the German alternative was utilized, as is shown by diplomatic papers published after the Russian revolution:

> From M. Sazonoff, Russian Minister for Foreign Affairs, to the Ambassadors at London, Paris, and Tokio. Dated May 11, 1916
>
> The Japanese Government has informed me that the German

Ambassador at Stockholm has twice approached the Japanese Ambassador and attempted to convince him of the desirability for concluding peace between Germany, Russia, and Japan. I informed Motono that I should be quite prepared to listen to Germany's peace proposals, on the condition that they should be simultaneously made to Russia, France, England, and Japan. As regards Italy, since she is not yet at war with Germany, there is no necessity for demanding that an application should be made to her also by Germany, but we will keep her informed about these proposals, because the relations to them can only be determined by the Allies together.

Addition for Tokio. Please thank the Japanese Government for this invaluable communication.

As a result of this method, Japan was able to conclude with the Russian Imperial Government a new treaty, signed in the summer of 1916. There were, in fact, two agreements, one published and one secret. The secret treaty made then between Russia and Japan was published by the Russian revolutionists after the imperial régime was overthrown. The italics are mine. It follows:

RUSSO-JAPANESE TREATY

The Russian Imperial Government and the Japanese Imperial Government, aiming to strengthen the firm friendship between them, *established through the secret agreements of July 17–30, 1907, June 21, July 4, 1910, and June 25, July 8, 1912*, have agreed to supplement the aforesaid *secret agreements* with the following articles:

ARTICLE 1

Both the high-contracting parties recognize that the vital interests of one and the other of them *require the safeguarding of China from the political domination of any third Power whatsoever*, having hostile designs against Russia, or Japan: and therefore mutually obligate themselves, in the future at all times when circumstances demand, to enter into open-hearted dealings, based on complete trust, in order to take necessary measures with the object of preventing the possibility of occurrence of said state of affairs.

ARTICLE 2

In the event, in consequence of measures taken by mutual consent of Russia and Japan, on the basis of the preceding article, a declaration of war is made by any third Power, contemplated by Article 1 of this agreement, against one of the contracting parties, the other party, at the first demand of its ally, must come to its aid. Each of the high-contracting parties herewith covenants, in the event such a condition arises, not to conclude peace with the common enemy, without preliminary consent therefor from its ally.

ARTICLE 3

The conditions under which each of the high-contracting parties will lend armed assistance to the other side, by virtue of the preceding article, as well as the means by which such assistance shall be accomplished, must be determined in common by the corresponding authorities of one and the other contracting parties.

ARTICLE 4

It is requisite to have in view that neither one nor the other of the high-contracting parties must consider itself bound by Article 2 of this agreement to lend armed aid to its ally, unless it be given guarantees by its allies that the latter will give it assistance corresponding in character to the importance of the approaching conflict.

ARTICLE 5

The present agreement shall have force from the time of its execution, and shall continue to be in force until July 1–14, of the year 1921.

In the event the other of the High-Contracting Parties does not deem it necessary twelve months prior to the end of said period, to declare its unwillingness to continue the present agreement in force, then the said agreement shall continue in force for a period of one year after the declaration of one of the Contracting Parties disclaiming the said agreement.

ARTICLE 6

The present agreement must remain profoundly secret except to both of the High Contracting Parties.

In witness whereof the persons invested with full power by both parties, have signed and affixed their seals to the present agreement at Petrograd on the 20th of June–July 3, of the year 1916, which corresponds in the Japanese calendar to the third day of the seventh month of the fifth year of the reign of Tais.

(Signatures).

SAZONOFF.
MOTONO.

Several things in this secret treaty are significant. It was apparently made without the knowledge of the other Allied powers. It scarcely can be assumed, however, that the "third power" against which this treaty nominally was intended to protect the interests of Japan and Russia *in China* was one of the European allies of Japan and Russia. That construction of the treaty would convict the nations that made it of downright underhandedness, or by logical inference of an expectation of a betrayal of them by some of their allies. It was not directed against a nation in the Central alliance; in that case this treaty would be unnecessary, for Japan and Russia already were allied and at war against the nations of the Central alliance. There is no room for doubt as to the identity of the "third power" mentioned in this treaty. It is directed at the United States. Japan recognized the United States as the nation most likely to oppose and withstand Japan's designs in China, and the Japanese Government, while the war was straining her allies, at favorable moments (which meant usually at times when the Allies were being hard pressed, and at some unfavorable turn of the military or political situation) was quietly pressing the Allied powers to agree to Japan's special position in China and other matters. From Russia Japan procured recognition not only of her special position in China, but also was to have the military support of Russia in the event that a "third power" would attempt to disturb the arrangements of Japan in China. In a supplementary agreement with Russia, made at the same time this treaty was signed, and also in the terms of other secret and published treaties between the same governments made since the Russo-Japanese War, just exactly how they would divide their interests and positions in China had been clearly defined. Japan probably made use of Russia's pressing need of supplies from Japan, and financial credits to pay for them, to gain Russia's consent. At the same time Russia was depending to an even greater extent on supplies and credits from America, yet the Imperial Russian Government did not fear to make a diplomatic trade against America secretly. America was still considered an amateur in world politics.

It is so seldom that one finds really discerning criticism of Eastern affairs in the American press that the following editorial comment of the "Boston Transcript" about this Russo-Japanese treaty is worth quoting:

> No "armed demonstration against America" can actually be discovered in the secret treaty which the late Okuma government entered into with the imperial government of Russia, as published in the Bolshevik organ at Petrograd. But the treaty, which manifestly is genuine, is a new evidence that the Okuma regime was perfectly ready to enter into agreements with everybody against everybody else, if by that means a point could be gained for its purpose here and there. Japan had a hard and fast treaty with Great Britain, which apparently made the two countries firm partners in the East. But this did not prevent Okuma from attempting a secret alliance with Russia and Germany to defeat the purposes of both Great Britain and America. That was one of his projects at the very time when Japan was nominally at war with Germany. Knowing the treachery of the Czar to the Allied cause, Okuma was apparently ready to take advantage of it to get into quasi-respectable relations with Germany. All this was unspeakably base. But Okuma fell from power largely by reason of his treacherous methods. Has his fall altered the Japanese character? No one can say that. We need to keep our eyes open in dealing with these highly gifted people. But it is reasonable to suppose that no understanding of the Okuma sort exists between Germany and the present Government of Japan, and in the meantime there is no real Russian government of any kind in existence. The Bolshevik diplomatic publications will make a highly interesting chapter of diplomatic history when they are all at hand and digested.

It was in the summer of 1916 that the Japanese Government also induced Great Britain (as was revealed at Paris after the peace conference had met) to sign a secret agreement consenting to Japan's retention of the former German insular possessions in the Pacific Ocean that lie north of the equator.

But events have a way frequently of putting to naught the best-laid plans of diplomats, and soon after the Russo-Japanese secret alliance was signed and sealed, two momentous events made it of no value to Japan. These events were the entrance of the United States into the war and the revolution in Russia.

The possibility of a German-Russo-Japanese entente after, or perhaps even during the war, did not become active in Japanese political discussion until some time after the revolution in Russia, and when its results began to appear. Count Terauchi had succeeded Marquis Okuma as head of the Japanese cabinet, and in the spring of 1918, at a time when the Siberian question was to the fore, Gregory Mason, editor of the "Japan Advertiser" and then on the point of leaving Japan, had an interview with the Japanese premier, which was published in "The Outlook" (New York) in May, 1918. Count Terauchi's remarks to Mr. Mason were written out by Mr. Y. Tsurumi, who acted as interpreter, were then submitted to the premier and to the home and foreign ministries, and re-revised by Count Terauchi. The interview therefore can be taken as "official." I quote from the interview:

> "Count Terauchi, you may permit me to ask a very bold, straightforward question," I said, "for I should like to dispel the misunderstanding that is prevailing among certain sections of Americans. Now that the Berlin-Bagdad dream has been shattered, certain German newspapers have begun to talk of a Berlin-Tokio connection through Russia. Some Americans are possessed of the opinion that there is a possibility of Japan's forming an alliance with Germany after the war, if the conclusion of the present war should favor such possibility. What is your Excellency's opinion about this?"
>
> "That will depend entirely on how the present war may end," said General Terauchi. "It is impossible to predict the changes which the conclusion of this war may bring. If the exigencies of the international relationships demand it, Japan, being unable to maintain a position of total isolation, may be induced to seek an ally in Germany; but, as far as I can judge from the existing condition of affairs, I see no such danger. In other words, I believe that Japan's relations with the Entente Allies will continue unaltered after the present war."

The publication of this interview caused a small furor in Japan, and the press and government officials attempted to explain away the premier's statement, and even to dispute its authenticity, of which there is no reasonable doubt. Coming exactly as it did, and when the situation of the Allies as a whole was very sensitive to such ideas, the statement of the Japanese Premier made a deep impression. How it was received by the pro-Ally press in the East can be illustrated by some editorial comment of the "Japan Advertiser" of May 29, 1918:

> It cannot be said that an examination of the context modifies the face value of the passages we have quoted. Mr. Mason clearly had in his mind the possibility that German power would overspread Russia, and was seeking a clue to Japan's policy in that event. He began with questions about Japanese intervention in Siberia—a burning question at that moment. Would Japan intervene? Would she intervene singly or conjointly with the Allies? What would she think of a small "buffer" Russia, with Germany holding the Baltic provinces and Japan occupying eastern Siberia? Suppose Germany and Japan were finally face to face in Asia? Would they meet as rivals or as friends? Since those questions were asked two incidents have shown how much they were to the point. One was the kite flown in connection with Mr. Collyn's visit to London which in effect held out the proposal that Germany would make a "good peace" in the West if she got her way in the East. The other was President Wilson's words on May 19, a fortnight after the "Outlook" interview had been published in America, in which he said: "The Germans seek for an opportunity to have a free hand, particularly in the East, to carry out the purposes of conquest and exploitation. Every proposal with regard to concessions in the West involves reservations with regard to the East. Now, so far as I am concerned, I intend to stand by Russia as well as by France."
>
> Count Terauchi's answer to Mr. Mason's questions was that "Japan, being unable to maintain a position of total isolation, may be induced to seek an ally in Germany." He went on at once to say that he believed there was no such danger and to express his belief that after the war, as before, Japan's relations with the Entente Powers would remain unaltered. Further, it is not only just to Count Terauchi but essential to an understanding of the question, to

point out that the hypothetical case was constructed by Mr. Mason. Count Terauchi's was not the originating mind. He stated what Japan might do in certain circumstances, and at once added that he did not believe that the circumstances would ever come to pass. But if it is candidly examined does that meet the point? The circumstances which the interviewer sketched are not figments of the imagination. Germany is devoting all her energies to the task of making them actual; she has made considerable progress, and, so far as Russia is concerned, it would be difficult to set a limit to her progress. How are those possibilities to be prevented from becoming accomplished facts except by all the Allies putting as much energy into the fight as Germany is doing, opposing her ambitions with "force, force to the utmost, force without stint or limit"? What is force of arms without force of will? It is not the part of the leaders of Allied nations to outline opportunist policies for the hour of defeat but to concentrate their energies on making defeat impossible. It may be said that opportunism is a universal policy, and that Count Terauchi has only given a characteristically blunt expression to a creed which all statesmen in their hearts confess. We do not see how any one can admit the premise with this war before them, and especially in view of the white heat of energy with which America has set herself to a task so remote from her traditional preoccupations, so devoid of material gain. Be that as it may, there is cynical opportunism and enlightened opportunism. The former waits on events, intent on securing its individual profit, from the welter; the latter seizes the opportunity to achieve the result which it prizes. We cannot imagine that Count Terauchi meant to tell the world that Japan would await the result and stand in with the winner. but we cannot escape the feeling that the impression which his words will create will be something like that.

As frequently is the case in such instances, this discussion served rather to bring into relief the pro-German trend of Japanese political thought than to prove its non-existence. In 1918 the ''Daily Mail'' (London) sent one of its staff correspondents, Bernard Falk, to the far East to write about conditions there. He interviewed many prominent Japanese in and out of the Government, among them Baron Goto, then minister of foreign affairs. That interview was devoted principally to a discussion of the question of intervention in

Siberia, but it touched also on other phases of the war. I will quote from the interview, as published in the "Japan Advertiser" of June 13, 1918:

"Has Japan any ground for complaint against the Allies?"

"Of course you have heard of the differences of opinion regarding the exports of steel from America to Japan, but the differences never amounted to much, and the whole question was treated in a good spirit by both nations. Just now I think the United States is as satisfied with the result of the negotiations as Japan is. No, we have no cause of complaint."

"But we might fairly complain of those Japanese politicians who appear to regret that Japan is not allied with Germany?"

"I do not say there are not such men amongst us, but it is quite a common thing in any country for men apposing the government to say whatever suits their book and make political capital, which is why such politicians exist in Japan. The people of Great Britain may rest assured that so long as the Japanese Empire exists the Japanese people are their good friends."

"And to me some Japanese newspapers are scarcely suggestive of enthusiasm for the Allied cause?"

"Please do not mistake temporary partisan political phenomena for solid convictions. Believe me, there is little reason to suppose that indifference or adverse criticism are deeply founded."

"Further, it appears to me that the Japanese people utterly fail to visualise British achievements in their true proportions or to realize how much stronger Great Britain has become in a naval and military sense?"

"There may be people foolish enough to underestimate your naval and military strength, but I would not place them among our responsible thinking elements. Possibly the Japanese people may have expected more showy results from your armed forces. You know how a coup de theatre appeals to common people."

"Personally, I find it difficult to reconcile the German morale of your army and the Germanized character of your culture with the universality of the English language. Please explain this contradiction of the common experience that with the prevailing language goes the culture of a people?"

"The question is a good one. I have never heard it from a foreigner before though he may have had it in mind. The condition you depict does exist in Japan; you see German-like soldiers side by side with an English speaking population. If I may be allowed to say so that is a beautiful part of our national character. Japan absorbs the civilization of every country, but whether one studies England or Germany it is always, with us, from the viewpoint of the Japanese people. So those soldiers who look to you so German have in reality entirely Japanese minds; so also the people whom you hear speaking English are yet Japanese in thought. In other words, borrowed civilization and borrowed beautiful things are only to round off our own character, not to displace it. I stayed in Germany for many years. I studied there and people may think me pro-German. I am not pro-German at all. I am not anti-English. I am quite Japanese sharing the national views regarding our international relationships."

"I do not quite follow you when you say that you are not anti-English. I would expect that?"

"What I want to say is that I am not one-sided. I am very impartial, but when it comes to choose between enemy and ally, of course towards the enemy I cannot be pro-German because a pro-German is an enemy and towards a friend I cannot be unfriendly as anti-English. What I wish to convey above all is that I am Japanese, but at this juncture when we are fighting an enemy how can I be indifferent to the Allied Powers? Please understand me correctly."

"Do you believe in the permanency of the Anglo-Japanese Alliance?"

"The question has come to me before from foreigners, including some Englishmen. If the whole world changes, if the sun were to rise in the west, then anything might happen. Otherwise—"

"The strange pro-Japanese demonstration in Berlin on the day Germany declared war on Russia still mystifies people in England who know the facts. Can you explain it?"

"Interpretation is difficult but I will give you my view. Before the war there was no incident hurting the feelings of the two nations (Germany and Japan). We were on very cordial terms. Therefore when the German people thought that in the coming war Japan might take sides on her own account, they did not believe Japan would do any harm against Germany and they wanted to demonstrate their friendliness."

"Did they not think you would take an opportunity to move against Russia?"

"Some may have thought so but I do not agree. Germany must have known that Japan and Russia would remain good friends."

"Critics of Japan say you fight for your own materialistic ends and not for ideals?"

"Japan had no particular reason to go to war with Germany.

She came in in obedience to the obligations of the Anglo-Japanese Alliance. And to keep faith. The facts are there to justify us."

"But, pardon me, that was duty, not idealism?"

"True, but behind the duty was the ideal. The late Emperor Meiji left 30,000 poems enshrining the beautiful ideals of mankind and in any moment of stress or crisis the nation turns to them as to a Bible."

That interview with the Japanese foreign minister very well represents Japan's war policy as the Japanese present it. It is interesting to note, however, that Baron Goto, in talking to an English journalist, adheres to the fiction that Japan entered the war in obedience to the terms of the Anglo-Japanese Alliance, an assertion which Viscount Ishii, talking to impress Americans, expressly contradicted less than a month later at Boston.

With regard to the pro-German sentiment of Japanese, Bernard Falk wrote in one of his articles to the "Daily Mail":

> Except among a few Tokio professors there is no desire in Japan for a German victory, though her morale and army culture and prevalent ideas are largely German, despite the fact that everybody of note talks English. There is considerable admiration for German military achievements, leading in some cases to doubts whether in the Anglo-Japanese alliance Japan has backed the right horse.

It no doubt was true that in 1918 Japanese were more doubtful of a German victory in the war than they were in 1915 and 1916, and by that time it was pretty evident that the Allies were the stronger, with the addition of America, so any uneasiness that existed about having backed the wrong horse was lessened.

During the war the Japanese Government changed three times. A ministry headed by Marquis Okuma was in power when the war began. Okuma long has posed as a man of a democratic trend of political thought, and in that attitude he at times has been very useful to Japan, whenever in the course of events it was deemed expedient by the oligarchy to present a "liberal" front to the world, or to speak through a "liberal" mouthpiece. In fact, Okuma is one of the Elder Statesmen, which is the inner circle of the oligarchy whose power was built upon and rests now on the cult of emperor divinity: and no ministry in Japan ever pursued a more frankly imperialistic policy than this Okuma administration did. When Okuma's government (as every Japanese ministry does invariably) became so entangled and involved in its political crossings and turnings that it was necessary to shift the scenery, a ministry with Count Terauchi as premier came into office. The Terauchi ministry lasted until the autumn of 1918, when the Allied war aims as expressed by President Wilson had been formulated on a platform of relegating autocracy and imperialistic aggressions of nations, and the defeat of Germany was portended almost with certainty; and Japanese statesmen thought it well to begin to adapt the Japanese Government to this change in world conditions. If the world was to be made safe for democracy, then Japan would be democratic. This means that having swung from a "liberal" to a militarist ministry when it looked as if militarism would become established by the war, the Government now would ape democracy by swinging even farther back toward liberalism. So the Hara ministry took office with a flourish of democratic trumpets. It took office, it is interesting to observe, almost exactly at the time when Germany, in preparation for making peace, also changed coats, and placed the Government in the hands of a so-called "liberal" ministry. Japan also was getting ready for the peace, and, as usual, took her cue from Germany.

With peace actually in sight, almost every editor and publicist in Japan turned to writing Japan's peace terms. There was remarkable similarity among them. The terms outlined by Marquis Okuma, in the "Kokumin" of October 22, 1918, are representative. They follow:

(1) Japan should approve all decisions to be reached by Great Britain, France and the United States so far as the territorial alterations in the Western front, Central Europe, Balkans and in the Afri-

can colonies are concerned, as she has no direct interest in the affairs of these territories.

(2) Japan's attitude towards the problems relating to the future of Germany and Russia should be decided in accordance with the conclusion reached by the Allied conference, but Japan should declare first that the fundamental principle applicable in settling the problem should be founded on the universal desire to obtain the permanent peace of the world.

(3) The problems relating to war indemnity should be settled by the Allied conference.

(4) The future of the Samoan Islands, which has caused various diplomatic controversies between Great Britain, the United States and Germany, should be decided in accordance with the will of the former two Powers, for the purpose of destroying German bases in the Pacific.

(5) The German New Guinea, which is now occupied by the British should not be returned to Germany. Australia would not consent to the retrocession, even though the home government of Great Britain might accept it. The principle should also be applicable to the Bismarck Islands.

(6) Japan should hold those islands like Marshall, Caroline, and others, which are now occupied by the Japanese navy, as it is dangerous to return them to Germany, and as there is no reason to let the other Powers occupy them.

(7) The cable line between Tsingtao and the southern islands, which is now occupied by the Japanese navy, should be held by Japan. The cable line is a property owned by a private concern, so that Germany should buy it up before conceding it to Japan.

(8) Japan should return Tsingtao to China, as she has declared; but she should have the right to hold the exclusive settlement there and various organs and buildings attached to the settlement. The Tsinan Railway, which is a property of a private concern, should be bought up by the German Government and then should be conceded to Japan.

(9) The problems relating to the maintenance of order in Siberia should be settled by the Allied conference, but all the Allied Powers should refrain from any action or demand for acquiring concessions in Siberia.

(10) The relations between China and other Powers should be based upon the principle of open-door and equal opportunity.

For a wonder, the conditions given by Marquis Okuma I believe actually did represent about what Japan really wanted, as far as they went. She wanted to keep the Marshall and Caroline Islands, and had made a secret agreement with Great Britain, the only Allied power that has an interest in the matter, to that effect. Japan's main desire is to retain her hold in Shantung province and at Tsingtau. To do that, she had marked out, and acquired by forcing the Chinese inhabitants to sell their lands, a large area at Tsingtau for a Japanese "concession," and similar areas at Tsinan and other places in Shantung. With those concessions, and the special rights wrung from China by the agreement of 1915 and its supplements, and with possession of the Tsingtau-Tsinan railway, Japan would be content for a time. In Siberia Japan is indeed anxious that the Allied powers "should refrain from any action or demand for acquiring concessions in Siberia," for that would give other powers a foothold there, which Japan does not want them to obtain.

It is of slight consequence whether Japan obtains the Marshall and Caroline islands by annexation or by becoming a mandatory of a league of nations. Objection to Japan owning the islands made by other nations, is solely strategical, because of their possible use for naval bases and wireless stations; but if a league of nations becomes a reality, and armaments are kept within reasonable and proportionate bounds, such strategical points have little value.

While Marquis Okuma's list covers what Japan wanted of the peace conference in terms of territory and vested interests, it by no means includes all of what Japan wants to secure. I shall summarize what I believe to be what Japan really wants in world politics at this stage of the game:

1. Confirmation by the powers of agreements made by them with Japan during the war.
2. Recognition by the powers of agreements which Japan has obtained from China during the war.
3. Recognition by the powers of Japan's paramountcy in the settlement of far Eastern questions.

That is what Japan wants, and there will be tremendous disappointment in Japan if those objects are not secured. Japan's attitude toward every question in the settlement of war issues will be determined solely by their relation to those propositions. The first five articles of Marquis Okuma's list refer to questions in which Japan has no interest except as they affect the world balance of power, and Japan will adapt her policy to whatever balance of power emerges from the war. Discussing the first three months of the peace conference in the New York "Evening Post," of March 8, David Lawrence wrote:

> The Japanese delegates are the mystery of the conference. They say least and interfere less in what is going on. Silently they listen to what is said and rarely make comment. The Japanese delegation always appeared to be on cordial terms with all the other delegations. They seemed merely interested onlookers, but promise subsequently to take a vital part in the conference.

Japan was merely an interested onlooker at the conference until matters that touch her interests would come up. Except for the flurry about China revealing some matters connected with Japan's attitude in China (that incident is discussed later in this volume), the Japanese delegation observed a detached attitude in the early months of the Paris conference. Japan went to the conference, as she entered the war, in a spirit of opportunism. She was prepared for all ordinary eventualities. If the conference was handled in the usual way and controlled by the usual motives, which Japan rather expected, and hoped, the Japanese Government felt able to hold its own. Japan knew that other nations in the allies' group had pursued an oblique course during the war, and would go to the conference to urge claims and secret agreements no whit better, and in cases worse than those Japan wanted to get recognized. The Japanese Government knew also that the nations whose objects and motives were identical in principle with those of Japan would be in a large majority at the conference. Here was good ground for diplomatic trading, and Japan went with a number of "trading horses" in her diplomatic bag. She also was fairly well supplied with issues that can be used as ''smoke-screens,'' and as offsets with powers, like the United States, that cannot be induced by the old-fashioned trading process. Among these ''smoke-screens'' is the so-called ''race-equality'' issue, with its corollary of Japanese immigration to the United States, Canada, and Australia. Japan, of course, did not want a league of nations; but she is quite prepared, if a league is organized, to join it, and to claim her right to be its mandatory in the far East.

The great fact that confronts Japan as a result of the war is that her former method of reckoning international values must be changed completely. The list of international ratings has to be revised radically. The powers now are, apparently, America, Great Britain, France, Italy, and Japan. In this list, it is evident that some of the nations are rated as powers only by courtesy, when they really have dropped to the position of second-class nations. Japan herself has dropped back, in fact, into the second class; for she has not the resources to encounter successfully a real power. For instance, before the Great War Japanese experts rated America as a nation in the second class, and felt certain of Japan's ability to worst America in any war about issues outside the North American continent. Japan has no such illusions now. Japanese experts know that Japan has slight chance in a war between those nations alone to defeat America on any issue. Japanese statesmen feel also that the Anglo-Japanese Alliance is not likely to be renewed by Great Britain, and that an entente of America and Great Britain is almost sure to follow the war. The collapse of Russia and the temporary eclipse of Germany leaves Japan with no place to go in case she takes issue with America or Great Britain. The Japanese delegation, furthermore, carried to the peace conference a feeling of uneasiness about the probable exposure of her real rôle during the war and the sentiments of some of her allies about that; in short, Japan dreaded a moral isolation.

Certain moral embarrassments of Japan's position were very well put by the well-known English author and authority on China, Lenox Simpson ("Putnam-Weale"), in November, 1918:

> In these circumstances nothing is more amazing than the suggestion Japan is reported in the press to have made that her advisers advise China regarding China's peace programme. If there is one power left in the world that resembles Germany in her methods of conducting national business, and in the constitutional predominance of the military caste, that power is Japan. In her view countries are still the estates of princes and the peoples are merely their subjects. In all the literature that has poured out of Japan during the war there is no indication that the aim and purpose of democracy is in the least bit understood; for although a "popular" Cabinet has just been installed in office, the constitution has not been changed, nor have Ministers been made by the machinery of law responsible to Parliament. Precisely the same language can be applied to Mr. Hara and his colleagues in the Cabinet as President Wilson has just addressed to the government presided over by the Prince Max of Baden—namely, that it is evident that the people have no means of commanding the acquiescence of the military authorities of the empire in the popular will, that the power of the emperor to control the policy of the empire is unimpaired; and that the determining initiative still remains with those who have hitherto been the masters.
>
> *Consequently, bearing in mind what has gone on openly in the far East under cover of the war, and remembering the many subversive measures attempted against China under the heading of desiderata, it is within the range of possibility that unless constitutional adjustments making for the supremacy of the civil power speedily come in Japan, she may encounter the humiliating experience of having the German plenipotentiaries inquiring of her at the Peace Congress whether they are dealing with the authorized representatives of a Parliamentary government or the agents of an autocratic regime; and if the latter, that any discussion be postponed until the popular standard which has been forced on Germany be likewise forced on Japan.*

The sudden ending of the war thunder-struck the Japanese Government and people. So ill prepared was the public in Japan for it that, when the terms of the armistice were received, the Government would not permit the full publication of them for several days, so the people could be prepared to receive the news.

Before leaving the topic of Japan's policy in the war, it may be well to introduce some evidence of Japan's position and obligations regarding the Tsingtau question. The real attitude of the Japanese Government, I am convinced, is reflected accurately by the views of the Japanese member of the Diet previously given in this chapter; but that of course is not the published official attitude. On the day Japan's ultimatum to Germany was sent, Marquis Okuma, then Premier of Japan, gave the following statement, which was communicated to the press in America by the Japanese official propaganda in New York, the "East and West Bureau": "Japan's proximity to China breeds many absurd rumors; but I declare that Japan acts with a clear conscience, in conformity with justice, and in perfect accord with her ally [Great Britain]. Japan has no territorial ambition, and hopes to stand as the protector of peace in the Orient." A few days later, at Tokio, Marquis Okuma, in a public address, said: "Japan's warlike operations will not extend beyond the limits necessary for the attainment of the object of the defense of her own legitimate interests. The Imperial Government will take no such action as could give to a third party any cause for anxiety or uneasiness regarding the safety of their territorities or possessions." And on August 24, 1914, Marquis Okuma telegraphed a message to the American people through "The Independent" (New York), as follows:

> I gladly seize the opportunity to send, through the medium of the "Independent," a message to the people of the United States, who have always been helpful and loyal friends of Japan. It is my desire to convince your people of the sincerity of my Government and of my people in all their utterances and assurances connected with the present regrettable situation in Europe and the far East. Every sense of loyalty and honor obliges Japan to cooperate with Great Britain to clear from these waters the enemies who in the past, the present and the future menace her interests, her trade, her shipping, and her people's lives. The far Eastern situation is not of our

seeking. It was ever my desire to maintain peace, as will be amply proved; as President of the Peace Society of Japan I have consistently so endeavored. I have read with admiration the lofty message of President Wilson to his people on the subject of neutrality. We, of Japan, are appreciative of the spirit and motives that prompted the head of your great nation, and we feel confident that his message will meet with a national response.

As Premier of Japan, I have stated and I now again state to the people of America and of the world that Japan has no ulterior motive, no desire to secure more territory, no thought of depriving China or other peoples of anything which they now possess. My Government and my people have given their word and their pledge, which will be as honorably kept as Japan always keeps promises. (My italics.)

Early in December, 1914, Baron Kato took the occasion of an interpellation in the Diet, to shift Japan's position in respect to Kiaochou. The proposition is included in the following questions and answers, published in the Japan press:

QUESTIONS

(a) Whether Kiaochou will be returned to China?

(b) Whether the Imperial Government of Japan were pledged to China, or to any other Power, in the matter of the final disposition of Kiaochou?

(c) Whether the clause in the ultimatum referring to the final restitution of Kiaochou to China did not bind the action of Japan?

BARON KATO'S REPLIES

(a) The question regarding the future of Kiaochou was, at present, unanswerable.

(b) Japan had never committed herself to any foreign Power on this point.

(c) The purpose of the ultimatum to Germany was to take Kiaochou from Germany and so to restore peace in the Orient. Restitution after a campaign was not thought of and was not referred to in the ultimatum.

In the years 1915 and 1916 the utterances of Japanese statesmen and the Japanese press distinctly adopted a tone repudiating the original promises to return Kiaochou to China, and began to invent diplomatic euphemisms for that repudiation.

The real reason, of course, was that the war situation indicated that Japan safely could repudiate those promises and could act as she liked in China. However, after America entered the war, Japanese comment on the Kiaochou question played it about "fifty-fifty," so that either attitude could be adopted, as expediency dictated. When China had become one of the Allies' group, and the defeat of the Central alliance was established, the original attitude was resumed. After reaching Paris as head of the first Japanese delegation to the conference, Baron Makino gave an official statement as follows:

> Japan is now pledged to return to China this harbor and port built with German money, together with the territory of Kiaochou, which China will receive eighty years sooner than she could possibly have secured it. The treaty of 1915, under which this restoration is to be made, contains no secret clauses, and an agreement entered into in September, 1918, regarding future Chino-Japanese coöperation in Shantung contains no stipulation which is more or less than a just and mutually helpful settlement of outstanding questions.

There the issue rests at this writing. Its eventual disposition probably will extend to the war's aftermath.

CHAPTER IV

CHINA AND THE WAR

Sentiments of Chinese about the war—Apprehension of Japan—Efforts to preserve China's neutrality and territorial integrity—The first proposal—Outline of the situation—China's rights and wishes disregarded—Japan's ultimatum to Germany—China's sovereignty ignored—Great Britain's attitude—Position of the United States—Japan's overrunning of Shantung—The next move—Japan's twenty-one demands—Her oblique course—The "Agreement" forced upon China—China's protest—Statement by the United States—Dilemma of the Chinese Government—China's first offer to join the Allies—Its discouraging reception—China's second offer to join the Allies—Conditions of this offer—Plan blocked by Japan—Irritation of Japanese press—Japan's attitude defined.

WHEN the Great War began, China had not become stabilized from the Revolution of 1911 and the attempt at counter-revolution in 1913; but the Government under the Presidency of Yuan Shih K'ai gradually was establishing its authority over the country, with a fair prospect of working out a peaceful solution of the internal situation.[1] President Yuan estimated events with considerable prevision, and at once took measures to prevent China from being vicariously involved. He, in common with other close observers of far-Eastern politics, felt that China's cause for uneasiness sprung not from acts of any of the belligerents in Europe, but centered in the course of Japan.

With few exceptions, the Chinese felt at the beginning of the war only surprise at its sudden outbreak, and almost a complete confusion regarding its causes and issues. If Americans candidly will recall their own general state of mind about the war when it began, they, perhaps, will comprehend the intellectual reactions of Chinese to that stupendous event. As between the two groups of belligerents, the Chinese had no decided predilections or sympathies, and only vague notions about the rights and wrongs of the matter. The Chinese even did not have, as in the case of most Americans, ties of religious, political, and ethnological origin with the nations at war to stimulate interest and to aline sympathy China had endured humiliations and what the Chinese regard as wrongs and injustice at the hands of most of the nations at first included in the war. As between them, if there was any tipping of the scale, it is probable that the Chinese felt less resentment against Germany than, for instance, against Russia or Great Britain; and certainly even at that time the Chinese were much more apprehensive of Japan than of any nation in Europe.

---

[1] The events embraced in the situation of China at that time and in the years from the beginning of the Great War to 1916, are extensively narrated and criticized in a previous book of the author's, "Our Eastern Question," published in 1916.

Indeed, without doubt it was apprehension of Japan that dominated the actions of the Chinese Government in the early stages of the war, and the same fundamental reason has motivated China's policy throughout the war. All students of Eastern politics felt at once that Japan would regard the situation in the light of opportunism. It was natural, as in the case of America and other nations, that the first thought of China was to assume and to sustain a position of absolute neutrality. The measures taken by the Chinese Government to protect the interests of China and to secure her neutrality can be summarized as follows:

1. A proposal to neutralize under China's control all Chinese territories leased to foreign belligerent nations or nations which might thereafter become belligerents.

2. A proposal to limit any warlike acts by any belligerents in Chinese territory to specified areas.

3. A proposal that China would join the Allies.

These three measures were not, of course, made simultaneously. The second followed the failure of the first; the third was a consequence of the rejection of the others and the policy of Japan.

The first proposal was made in the spirit of absolute neutrality. In order to make its application general, and to avoid the appearance of being directed against, or in favor of, any power or belligerent side, this plan would have included the leased territories of Kiaochou (German), the leased territories at Kowloon and Weihaiwei (British), the leased territory of Kwangtung, including Port Arthur and Dalny (Japanese), and regions policed by Russia and Japan under the Manchurian railway agreements. Had China been a strong nation, dealing with other nations on a genuine basis of equality and self-determination, there would have been no question as to her course: she simply would have announced her intentions to the world, and have taken over control of the territories as a measure of self-protection, and few would have questioned the propriety of the action or her right so to act. But if China had been a self-determining nation, she never would have granted these leaseholds, which were obtained and held by those powers for their own strategical reasons.

At the time the proposal to neutralize the foreign strategical leaseholds in China was advanced, Japan was a neutral; and the friendly offices of Japan and the United States, as the two principal neutral powers, were solicited by the Chinese Government in inducing the belligerent nations to consent. And curiously, but not surprisingly to those conversant with conditions, it was neutral Japan, not one of the belligerents, that blocked the proposal. Germany probably would have consented, for by so doing she stood to lose no definite advantage, since it was inevitable in any case that Tsingtau would soon be made useless as a base for German naval operations by joint or separate action of the British, French, and Russian navies; indeed, the German legation at Peking was receptive to the proposal, foreseeing that refusal would tend to draw Japan into the war. Great Britain was also receptive, since she would sustain no appreciable loss strategically by neutralizing Weihaiwei, and the elimination of Germany's far-Eastern base would be accomplished without disadvantageously involving China. Such a course also would coincide with general British interests vis-à-vis China. The friendly offices of the United States were enlisted, or an attempt was made to enlist them; and it appears that the United States took some tentative steps toward bringing the powers into compliance. However, the opposition of Japan and the confused and flustered state of international affairs delayed action until Japan precluded further moves by sending an ultimatum to Germany on August 15, 1914:

> We consider it highly important and necessary in the present situation to take measures to remove the causes of all disturbances of the peace in the Far East, and to safeguard the general interests as contemplated by the agreement of alliance between Japan and Great Britain.
>
> In order to secure a firm and enduring peace in Eastern Asia, the establishment of which is the aim of the said agreement, the Imperial Japanese Government sincerely believes it to be its duty to give the advice to the Imperial German Government to carry out the following two propositions:
>
> First. To withdraw immediately from Japanese and Chinese waters German men-of-war and armed vessels of all kinds, and to disarm at once those which cannot be so withdrawn.
>
> Second. To deliver on a date not later than September 15 to the Imperial Japanese authorities, without condition or compensation, the entire leased territory of Kiaochou, with a view to the eventual restoration of the same to China.
>
> The Imperial Japanese Government announces at the same time that in the event of not receiving by noon on August 23, 1914, an answer from the Imperial German Government signifying its unconditional acceptance of the above advice offered by the Imperial Japanese Government, Japan will be compelled to take such action as she may deem necessary to meet the situation.

The attitudes of the various interested powers, as developed by this incident of the effort to protect China's neutrality, were significant. Russia was indifferent at first, but when Japan's opposition developed, she was precluded by open and secret agreements with Japan from assenting, or at least from signifying approval. Great Britain (or British interests and the British press in China) seemed favorably disposed to the proposal until Japan's position developed. Great Britain, entering upon a long and precarious war, probably felt that it was inexpedient to create friction with Japan at the outset. France, her whole attention concentrated on the German invasion, was too distracted to give attention to the matter or to estimate how it would affect the course of the war, or French interests in the far East. It is probable that France merely followed Great Britain and Russia. The time was too short for the United States and other neutral nations to organize any effective action to stay Japan's hand and to protect China. Events were marching with seven-league boots, and the disinterested statesmanship of the world in most cases was unable to anticipate or direct them.

It is interesting to note that the terms of Japan's ultimatum to Germany concerning the leased territory of Kiaochou state as its objects almost exactly what it was proposed to accomplish by China's plan for neutralization. The differences were that by China's proposal she would have taken control over the territory, which belonged to her national domain, and furthermore, that acts of all the belligerents within China's territories would also have been neutralized. That did not suit Japan, because she purposed making use of the opportunity to install herself in Germany's position in China and also to extend that position. Aside from that ultimate motive, Japan by her action arrogated to herself prerogatives which belonged exclusively to China. By what right of international law or custom, for instance, did Japan order Germany (for her ultimatum amounted to an order, although called "advice") to withdraw all her war-ships and armed vessels "from Chinese waters"? Yet the ultimatum did that in plain words. At the very moment when Japan's ultimatum was delivered, the Chinese Government was conducting diplomatic conversations with all the belligerent and two neutral powers (Japan and the United States) to remove from or intern German war-ships in her waters, and allied war-ships as well. All allied and central alliance war-ships were in due course interned in Chinese waters that China controlled. It was remarked at the time that Japan had taken the opportunity early in the war to assert a kind of protectorate or suzerainty over China; a presumption that alarmed China even more than it offended her by covert diplomatic insult.

Regarding the attitude of Great Britain then I wrote in "Our Eastern Question":

> There are two theories for Great Britain's course at the time. One is that Great Britain initiated Japan's action by requesting her aid under the alliance. The other theory is that Japan herself took the initiative, contrary to the real desire of her ally, and by force of circumstances compelled Great Britain to acquiesce with, and officially to sanction, this diplomatic fiction. I believe in the latter theorem. It coincides with the logic of facts and conditions, with British interests in China, and with an honorable regard for Great Britain's obligations toward China and other nations committed to the 'open door' and 'integrity of China' policies; and there is plenty of evidence to support it.

Nothing that I know of has happened since I expressed that opinion to make me change it; but, rather, the whole course of events in the East and the trend of different national policies there as they have been influenced by the war have tended to confirm it. There is no doubt, however, that when Japan had definitely taken her stand, and undertaken a course of action which would put her at war with Germany on the Tsingtau issue, the British Government accepted it as a *fait accompli,* and since then has shaped its utterances and policy accordingly, however dubious it must at times have felt about the outcome, and dissatisfied as it undoubtedly has been with many of Japan's subsequent acts.

When the Chinese Government had failed in its effort to eliminate the foreign leaseholds in China as military areas and contention-points between the belligerents, its next move was to try to limit the scope of military operations against Tsingtau to the territory at Kiaochou leased to Germany. This seemed a most reasonable and just condition, but it was rejected by Japan for reasons which were soon to appear. On the declaration by Japan of war against Germany, Great Britain announced that she would join with her ally in the operations to take Tsingtau. It is a good illustration of the real sentiments and motives of the Allies with regard to this matter that this technically proper and correct action by Great Britain should have been resented by Japan, and criticized with asperity by the Japanese press, which accused Great Britain of participating only for the purpose of circumscribing Japan in her policy in China, and to give Great Britain a technical voice in the disposal of the Kiaochou leasehold after the war. There is no reasonable doubt that these were the objects of the British Government in participating in the Tsingtau expedition, for the few hundreds of British troops were not needed, and their part was perfunctory, because the senior Japanese commanding officer purposely arranged it that way. British troops were careful to respect Chinese susceptibilities, for they did not go outside the territory included in the German leasehold. On the contrary, Japan found excuses to spread her troops over a considerable part of Shantung province outside the German leased territory, and to seize the railway between Tsingtau and Tsinan, the capital of Shantung, over its entire length.

So easily had Japan established herself in Shantung province, and so correctly did she gage the extent of preoccupation of her allies in Europe and the indifference or reluctance to act of the stronger neutral nations, that by the beginning of 1915 she was ready to move further to extend her control of China. On January 18 the Japanese minister at Peking, Mr. Hioki, presented a series of demands set out in five groups and twenty-one articles. Since this infamous act has been widely discussed,[1] and the original twenty-one articles, the false eleven articles, and the so-called agreement which China at the end of negotiations was forced literally at the point of the bayonet to sign, all are given as appendices to this volume, I include only a summary here. For this nothing perhaps will serve better than the following outline of Japan's action taken from "Our Eastern Question," pages 147–148:

> (a) Presentation of demands in twenty-one articles, coupled with a strong admonition to China that both haste and secrecy were insisted on by Japan; (b) Continuous pressure on China to force her to concede the demands *en bloc,* without discussion; (c) Repeated warnings to China not to inform other powers of the negotiations, even confidentially; (d) First publications of news about the demands were categorically denied by the Japanese Government; (e) Newspapers in Japan were warned by the Government not to publish or discuss the demands; (f) Japan's diplomatic representatives abroad were instructed to deny and discredit news about the demands; (g) The Japanese minister at Peking denied to inquiries of other legations that any demands had been made; (h) When copies of the original demands, procured from the Chinese Government, were received by other foreign governments, the Japanese Government still denied the twenty-one articles, and presented a list of eleven articles, omitting the most objectionable matters.

An ethical analysis of this action of Japan will disclose that it probably transcends in obliquity any act of any other nation during the war. It marked the beginning of what an eminent Englishman who is conceded to be a leading authority on China and the far East recently termed in a conversation with me, "Japan's policy of treachery to and blackmail of her allies." Not only did Japan seek by military intimidation, at a time when China was defenseless and unable to obtain succor, to bring that vast country under its suzerainty, and to undermine all other foreign interests and opportunities in China, including and especially those of Japan's leading ally in the war, but she tried to do this in secret. Japan not only did not previously inform the allied governments of her intended action toward China, which would completely overturn, if successful, the existing international status in the far East; she resorted to diplomatic falsehood and subterfuge to conceal her moves from her allies as well as from other governments.

---

[1] Chapters VIII and IX of the author's book, "Our Eastern Question," give a full account of the presentation and character of these demands.

After protracted negotiations, in which China in vain sought help from other powers and tried to evade and soften the conditions, she was finally brought to accept Japan's terms by an ultimatum, delivered by the Japanese minister at Peking on May 7, 1915, in these words:

> The Imperial Japanese Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock P. M. on the ninth day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time, the Imperial Japanese Government will take such steps as they may deem necessary.

As Japan had previously made certain naval and military moves to intimidate China, and all efforts to induce any other power to intervene in her behalf having failed, the Chinese Government on May 8 accepted Japan's ultimatum, and a week later signed an "agreement" substantially dictated by Japan. This agreement was considerably modified from its original form through pressure made by other powers and restraints on Japan caused by the shifting international situation. Great Britain probably had insisted on the elimination of certain clauses of the original demands which would have circumscribed and crippled British economic position and interests in China. The United States also exerted an influence in China's behalf, and was instrumental in persuading Japan to abandon Group V of the original demands. Group V was the most far-reaching and objectionable of the demands, being equivalent to placing China under Japan's suzerainty. Japan stopped at a point where, as she was then convinced, to go further would excessively irritate her allies, alarm the United States, and drive China to armed resistance, a situation which Japan feared because of the international complications it would create, and adverse reactions on her own economic war prosperity. It was fortunate for China that Yuan Shih K'ai was president at the time, for he coupled political sagacity with stubborn courage, and had vowed to fight, however hopeless armed resistance might be, rather than yield China's sovereignty.

In an official statement regarding the negotiations the Chinese Government said:

> It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of the negotiations. All that the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China, and the principle of equal opportunity. . . . In considering the nature of the course they should take in reference to the ultimatum, the Chinese Government was influenced by its desire to preserve the Chinese people, as well as a large number of foreign residents in China, from unnecessary suffering, and also to prevent the interests of friendly powers from being imperiled. For these reasons the Chinese Government was constrained to comply in full with the ultimatum, but, in complying, the Chinese Government disclaims any desire to associate itself with any revision which may thus be affected in the various conventions and agreements concluded between other powers, with respect to the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China.

With reference to China's action in accepting Japan's ultimatum, I thus wrote in "Our Eastern Question," pages 161–163:

> I have in previous chapters sketched the general internal situation of China at that time, to whose complications were added those caused by the great war. The Chinese Government was charged with a triple responsibility—to preserve its own neutrality, to maintain neutrality among belligerents, and to safeguard without discrimination all foreign interests in China at a period when many of those interests were handicapped in protecting themselves. Moreover, the Chinese Government, after Japan's demands became

known, was confronted with a serious internal political difficulty. Chinese popular sentiment was aroused to a hitherto unknown extent by Japan's aggressions, and demanded that the Peking Government should reject the demands. The Peking Government had, therefore, to meet Japan's menacing diplomacy, and at the same time so to conduct affairs as to prevent popular indignation among Chinese from flaming up in an attempt to overthrow the Government. In this connection, Mr. Hioki's verbal statements to Yuan Shih K'ai, when presenting the original demands in January, are interesting. Mr. Hioki then said, if China did not promptly comply with Japan's demands, that Japan might be unable to restrain the activities of the group of Chinese counter-revolutionists then sojourning in Japan—or in other words, Japan threatened to instigate another internal revolution in China.[1] Yuan Shih K'ai's dilemma is obvious. If he rejected Japan's demands, Japan would use military force to obtain them, which China could not resist successfully. If he accepted Japan's demands, even in part, the Chinese radical party opposing the Government would accuse Yuan of betraying his country, and perhaps would succeed in starting another rebellion on that issue, especially if the revolution received further financial and other assistance from Japan. If he decided to resist Japan, and make such a fight as was possible, the whole country would be plunged into disorder, and such progress as had been made toward reconstruction would be thrown back, while all foreign residents and interests in the country would be imperiled. In these circumstances, Yuan chose the wiser course. He conceded what he must, and saved such exceptions as he could, hoping that China would get a hearing before civilization later.

The United States Government, which had during the course of the negotiations shown its interest by making inquiries of Japan and China, and diplomatically cautioning Japan, delivered on May 16, 1915, through the American minister at Peking, this note:

> In view of the circumstances of the negotiations which have taken place or which are now pending between the Government of China and the Government of Japan and the agreements which have been reached as a result thereof, the Government of the United

---

[1] As constituting a remarkable revelation of Japan's provocative policy in China, the memorial of the Black Dragon Society given in Appendix D is well worth reading.

States has the honor to notify the Government of the Chinese Republic that it cannot recognize any agreement or undertaking which has been entered into, or which may be entered into between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy commonly known as the open door policy.

An identical note was handed to the Japanese Government through the American embassy at Tokio. If any of the other powers protested or indorsed the outcome of the negotiations, they did not make their attitudes public. Probably the British, French, and Russian governments did not consider it expedient to voice any objections at that time. But that the principal Allied governments were disturbed by the course of their Oriental ally soon was to be definitely confirmed.

From the day war was declared in Europe, Yuan Shih K'ai without doubt realized that China's war problem was contained in one word, Japan, and his astute mind was busy with schemes to protect his country. His first thought (I have this information from men who during this period were the Chinese President's closest advisers) had been of America, but the outcome of the early efforts to protect China's neutrality and right of self-determination, and the matter of the twenty-one demands, had convinced him that while the Washington Government did not approve Japan's policy, it was not prepared to take any very forcible action to obstruct it. As a possible solution, Yuan had from the beginning of the war thought about China joining the Allies. Soon after Japan began military and naval operations in Shantung, and after Japan had rejected the request of the Chinese Government to limit the zone of operations to the German leased territory, Yuan proposed that China would send troops to participate in the capture of Tsingtau, and that any movements outside of the leased territory should be entrusted to Chinese troops. This proposal was communicated to Sir John Jordan, the British minister at Peking. It appears that Yuan Shih

K'ai then acted entirely on his own initiative, for even those of his immediate entourage did not know about the proposal when it was made. It was not until the matter of China joining the Allies came up in a different form, over a year afterward, that Yuan informed others of his first effort. According to Yuan's version of the conversation between himself and the British minister, Sir John Jordan discouraged such action by China. It appears that the British minister gave this advice on his own responsibility, without communicating the matter to his ally colleagues, the Russian and French ministers. Whether Sir John Jordan at that time communicated the proposal, and his own view, to his own Government, I do not know, but one presumes that he did. The significance of the incident is apparent. If the British minister advised Yuan Shih K'ai against joining the Allies then on his own responsibility, and without first ascertaining the opinion of Downing Street, the consequences of the policy rest on Sir John Jordan; if the British Government was informed, and inspired its minister's views, its reason for rejecting an ally then is a matter of conjecture. The logical presumption is that Japan was opposed to having China join the Allies, and the British Government had its reasons, perhaps expediency, perhaps previous commitments, for permitting Japan to handle the situation.

In the autumn of 1915 (October 28), the principal Allied powers (Great Britain, France, Russia, and Japan) addressed a joint note to China advising against the mooted restoration of the monarchy, on the ground that it would cause dissension and disorder in the country. This note marked a very interesting point of tortuous war diplomacy in the far East, because the Japanese Government, which had been secretly instigating the movement in north China for the restoration of the monarchy and trying to tempt Yuan Shih K'ai along that path by private promises of support, and at the same time, by its agents in south China, was promoting an anti-monarchy party in that region, now by its *public* utterance opposed a change of government in China. Japan's plan toward China was very simple as to its thesis, having one major object and several subordinate variants. The major object was to disrupt and disorganize China and implant Japan's control on the ruins under the excuse of being obligated to protect civilization by preserving order. As means to accomplish that end, Japan played a two-faced game in China's internal politics and a two-faced game in international politics. Just as in respect to China's form of government Japan maintained close intercourse with and gave aid and comfort to the Chinese radical republican faction, while really desiring a monarchy, with a puppet emperor under Japan's control, so in world politics Japan had elected to aline herself with the Allies while at heart desiring and expecting Germany to win. These Machiavellian tactics are almost incomprehensible to habitual American thought, but they are the A B C of Oriental diplomacy. After the twenty-one demands, none of the chief Allied governments could have had any doubts about Japan's real attitude toward the war.

At the time the Allied powers presented this advice, Yuan Shih K'ai was in the midst of a very difficult situation both nationally and internationally. On October 30, two days after the presentation of the advice to suspend the restoration movement, a foreign adviser of the Chinese Government personally suggested to Yuan Shih K'ai that a way out of China's difficulties would be for China to join the Allies. To his surprise, he was told that this proposal already had been twice advanced by Yuan, early in the war and again in August, 1915. Having been rebuffed once, Yuan was circumspect in his second attempt to break into the Allies' consortium, for he now feared the difficulties that Japan's opposition would cause. As before, he approached the British legation in Peking, where the suggestion was regarded as inauspicious in that it would ruffle Japan. I am credibly informed that in private conversations with Yuan Shih K'ai, Sir John Jordan, the British minister, expressed that opinion, which

Yuan took to represent the attitude of the British Government. However, this time Yuan did not confine his approaches to the British legation alone. By then he had a tolerably clear conception of the real motives and attitudes of the various powers and the conditions that circumscribed them. Yuan also sounded the French and Russian legations, and sought the opinion of the American legation. From a source close to Yuan, I learned that the suggestion that China would join the Allies was favorably received by both the French and Russian legations, which no doubt communicated their opinions of the China situation to their governments. By that time there seems to have developed an opinion among the Allied powers that a limit should be set to Japan's "free hand" in the East and that a check upon her was necessary.

In the conversation of October 30 Yuan informed his foreign adviser that he had proposed that China would join the Allies on certain conditions; namely, (a) a guaranty of the protection of China by the Allies against any reprisals by Germany in the future, (b) reversion to China of the German leasehold and German concessions in China, (c) the Allied governments to agree to the extradition of political offenders from the foreign settlements in China. The third condition probably requires some explanation. It was pointed at a peculiar situation whereby revolutionary plotters against the Chinese Government were able to use the foreign settlements as bases of their revolutionary operations, and was the occasion of intense embarrassment to Yuan Shih K'ai in efforts to pacify the country and stabilize his government.

The official attitude of the American Government vis-à-vis China joining the Allies at that time of course was indicated by the position of the United States as a neutral, but I am informed that the American minister expressed his private opinion to Yuan Shih K'ai that such a move probably would save China.

The diplomatic conversations on this subject at Peking led to formal consultations among the Allied powers. On November 23, 1915, the ambassadors of Great Britain, France and Russia had an audience with Viscount Ishii, the Japanese minister of foreign affairs, at Tokio, when they formally requested on behalf of their governments that Japan would join with their governments in inviting China to enter the war on the side of the Allies. From a perfectly reliable source I have an account of what happened. As the results of this formal audience, and the motives which it demonstrated, rank importantly in the diplomatic history of the far East and of the war, a brief analysis of some of its elements is pertinent. In a recent conversation with one of the leading authorities on the politics of the far East, an Englishman, he remarked: "One reason for the weakness and error of British policy in the far East during the war is that it has been wrongly advised by its principal representatives at Peking and Tokio, either from their failure to grasp the real situation or from timidity or hesitation in stating it to the home Government."

On the occasion of that audience at Tokio the ambassadors of the three European powers personally were but slightly conversant with actual conditions in China, a lack of knowledge that placed them at a disadvantage in treating with Viscount Ishii. The three ambassadors presented the views of their governments, and some arguments why China should be asked to join the Allies. Viscount Ishii demurred both to the proposal and to the arguments that were advanced. He said that Japan considered developments with regard to China as of paramount interest to her, *and she must keep a firm hand there. Japan could not regard with equanimity the organization of an efficient Chinese army such as would be required for her active participation in the war, nor could Japan fail to regard with uneasiness a liberation of the economic activities of a nation of 400,000,000 people.*

I have italicized Viscount Ishii's views, which contain the essence of Japan's attitude toward China then and now. Japan wanted to keep China weak both in a military and an economic sense. China was marked to provide Japan's principal "reward" when the Allies, if they won the war, came to divide the spoils. Japan did not want to have her self-assigned part of the spoils merged into the general pot, or perhaps be deprived of it by bringing China under the protection of the Allies. Where, except in China, could Japan then hope to obtain adequate *practical* "compensation" for her "services to the Allies"? In this connection, I recall a remark of Viscount Motono, Japanese minister of foreign affairs, made to me in the course of an interview in his library at Tokio in September, 1917, that "The creation of a large and efficient Chinese army would be a serious question for Japan."

The audience of the Allied ambassadors with Viscount Ishii resulted in no action, Viscount Ishii's views being confirmed in writing a few days afterward, and transmitted to London, Petrograd, and Paris. It however brought out positively that Japan was opposed to augmenting the strength of the Allies by including China.

During the period when the Chinese Government was having these conversations with a view to joining the Allies, and when the British, French, and Russian governments had approved the plan and were using their influence to induce Japan to assent, the Japanese legation at Tokio, and Japan's diplomatic officials in different parts of China, privately were doing all they could to dissuade the Chinese from such a course. I have definite information from reliable persons who then were in positions to have positive knowledge of those events, that Japanese consular officials at Shanghai. Hankow, and Canton were directing a propaganda opposed to Yuan Shih K'ai's plan to join the Allies. Also, the Japanese legation at Peking worked assiduously against the proposal, even advising Yuan confidentially, but unofficially, that such a course probably would involve China in serious difficulties.

Probably inspired—certainly tolerated by the Government, for the press in Japan is strictly regulated, and is forbidden expressly to publish news or to comment on foreign affairs except by official permission—by the Foreign Office, the Japanese press indulged in a tirade against the suggestion that China would become an Ally, and was especially bitter in its criticism of Great Britain, which power was accused of having devised the plan in order to rob Japan of her proper place and just rewards. Some Japanese publicists took the occasion to point out that Japan had an alternative to remaining in the Allied group, and that Japan, as other powers did, must give primary consideration to her own interests. This eruption of the Japanese press was the first distinct intimation of a pro-German trend of Japanese thought, and a consideration of the possibility of a rapprochement with Germany in case Japan's relations with her allies should become unsatisfactory or disadvantageous. It may be said also to mark the beginning of the anti-British wave of sentiment which was noticeable in Japan during a considerable period.

Thus the second attempt to bring China into the Allies' group as a belligerent, resulted in failure.

CHAPTER V

CHINA AND THE WAR—*CONTINUED*

China's position in 1916—Chinese sentiment about the war—No tangible reason to fear Germany—Real fear of Japan—Suspicion of the Allies—The United States takes a hand—Influence of America at Peking—Invitation to China to sever relations with Germany—Diplomatic situation caused by this proposal—How the powers stood—The attitude of Japan—Sounded by Russia—Some secret correspondence—What Japan wanted—British and French influence—Japan's oblique course—China's internal situation—The United States advises China—Questions raised by this action—Irritation of Japan—Misrepresenting the issue—Japan-American relations—Meaning of Root-Takahira agreement—Japan's anti-American propaganda in China—Some examples—The analogy of Korea—The Chinese point of view—Shifting of Japanese attitude—Advantages to China in declaring war—Effort to detach China from America—China declares war—Her action analyzed—New turn to events.

FROM the autumn of 1915 until the following summer Chinese politics was concerned chiefly with the movement to revive the monarchy, with Yuan Shih K'ai as emperor, culminating in failure and the death of Yuan. General Li Yuan Hung, the "Father of the Revolution," who had been vice-president, succeeded to the presidency. Li Yuan Hung is an estimable character, but he lacked Yuan Shih K'ai's firmness and grasp of international affairs. His foreign policy was very simple in theory—to try to hold a middle course and keep China out of trouble.

Like every other nation in the world, China's policy during the war was subject to the influence of events. By the summer of 1916, when Li Yuan Hung assumed the presidency, some things were perfectly clear to the Peking government, and other matters were problematical. The outstanding practical fact which confronted China was the Japan danger.

Here was the situation: Japan's policy in China seemed to have the tacit assent, if not the approval, of the other Allied powers, Great Britain, France and Russia, and the Allied group had twice repulsed offers by China to join them in circumstances which showed Japan's predomination in the far-Eastern policy of the Allies; the Central powers were showing no disposition to raise difficulties for China, but on the contrary, were assuming a conciliatory attitude; the one great neutral power to which China might have turned for support, America, continued to pursue what to Chinese seemed an aloof and dubious policy.

The war situation at that time was becoming more favorable to the Central powers. Russia's offensive military strength had been broken, and the diversion of Rumania's entrance already was reacting against the Allies. The prospect of a victory for the Allies appeared to be slight to those who looked at the situation impartially; indeed, the situation tended toward an end of the war that would be advantageous to Germany. A victory for the Allies as then constituted and motivated held no hope for China; on the contrary, such an outcome foreshadowed Japan's undisputed ascendency in the far East and her unqualified paramountcy in China. A feeling was growing among the Chinese that an ending of the war in Germany's favor, or with the influence of Germany in world affairs undiminished, presented China's best chance of relief from Japan's aggressions. Chinese statesmen could see no advantage to China, since she was not admitted into the Allied group, in further aggravating Germany. A subdued resentment of and distrust of the Allies by Chinese had been created by some phases of Allied propaganda in China since the war began. In volume of publicity and facilities the British press and news services had almost a commanding advantage in the field, yet their enforced subordination to political exigencies growing out of the relations of the British and Japanese governments vis-à-vis Japan's course in the war and policy in China at times led them into inconsistencies and hypocrisies that were obvious to thinking Chinese. Also during this period France was represented at Peking by a minister who on several occasions affronted Chinese sensibilities very seriously by a lack of tact and bruskness in handling certain questions There was nothing in the professed war policy of the Allies, or in its reactions as they had so far been felt in China, to arouse a sentimental support among the Chinese. It was of little use for the Allied press in China to argue the brutal character of German policy and how a German victory would menace China, when it was the brutal character of the Allies' policy—or one of the Allied powers, Japan—that was keeping Chinese statesmen awake of nights. The Chinese *only read about* (those who did read) the predatory policy of Germany in the Allied press; they *knew about* the predatory policy of Japan from actual contact, and they saw the British and French press in China ignore or condone and extenuate Japan's conduct. By the beginning of 1917 a deep distrust of the Allies had taken root with the politically intelligent class of the Chinese, which was coupled with a growing disbelief in the probability of an Allied victory. To Chinese politicians a victory of the Allies was definitely taking the shape of a recognized suzerainty of Japan over China, and a victory of the Central powers was taking the shape of a possibility of escape from Japanese domination.

It was the United States that injected a fresh and potent influence into the far-Eastern situation. The first important manifestation of a change in the American attitude toward the war was the passage in the summer of 1916 of an act of Congress authorizing and providing for a larger navy. A condition that had reduced the influence of America at Peking to that of an academic friend was the lack of military and naval strength of that nation. Chinese politicians believed in the friendly sentiments and good intentions of the American people and Government, but a succession of experiences had about convinced them that the United States would not, or could not, carry its opinion against an armed power like Japan. Early in 1917 there were premonitions that the United States might become a belligerent. Then came its severance of diplomatic relations with Germany, and the invitation by the American Government to other neutral nations to join with it by taking similar action as a protest against unrestricted submarine warfare by the Central powers. The Chinese Government received this invitation, which brought on another crisis of China's war policy.

Official notification that the United States had broken relations with Germany was received at the American legation in Peking about noon on February 4, 1917. The American minister, Dr. Paul S. Reinsch, at once requested an interview with Dr. Wu Ting-fang, who at that time was Chinese minister of foreign affairs. Dr. Wu was seriously ill, and his son, C. C. Wu, counselor of the ministry of foreign affairs, arranged a consultation for that night between Dr. Reinsch, President Li Yuan Hung and Premier Tuan Chi-jui, at which Mr. Wu represented the Wai Chiao-pu (Foreign Office). Dr. Reinsch presented to President Li the invitation of the American Government to China to join with the United States and other hitherto neutral nations in severing diplomatic relations with Germany as a protest against ruthless submarine warfare. President Li Yuan Hung was sympathetic, but feared the possible consequences to China; Premier Tuan was reserved and cautious. Dr. Reinsch presented the case and urged quick action. No decision was reached that night.

Further conferences took place on the next and succeeding days, and an acute diplomatic situation became focused on the proposal of the American Government. I was in Peking then, and followed developments as closely as I could. Other legations and persons not connected with governments took part in urging the Chinese Government to accept the invitation of the United States, or to reject it. The various governments lined up. The Central group (Germany and Austria) was against such action by China, of course. Of the Allied group Great Britain, France, Russia, and Italy were favorable, and Japan was opposed. Japan's opposition, as usual, was oblique. The Japanese legation at Peking exerted its influence secretly to deter the Chinese Government from accepting the American invitation. In a private interview with President Li Yuan Hung, the Japanese minister pointed out the risks that China would run by following the lead of America; that America was not a military power, and even if she entered the war, her participation would have little effect; that America always talked big and acted little, and frequently had left China in the lurch; that Germany could not be defeated by the Allies, and therefore the safest course for China was to remain out of the struggle and rely upon Japan to protect her interests in the settlement; that after the war there would surely be a complete understanding between Japan and Germany, which would enable Japan to guarantee China's security. A private interview in similar tone was had between the Japanese minister and Premier Tuan Chi-jui, and at the same time the Japanese Foreign Office at Tokio was communicating these arguments to the Chinese legation there.

Since by their secret treaty, made in 1916, but then not published, Japan and Russia mutually had agreed to inform and consult each other with regard to actions toward China, the Russian ambassador at Tokio approached the Japanese Foreign Office in this instance. Among the secret documents published after the revolution in Russia was the following report of a conversation—the italics are mine—between M. Krupensky, the Russian ambassador to Japan, and Baron Motono, the Japanese minister of foreign affairs [my italics]:

JAPAN'S TERRITORIAL WAR AIMS

From M. Krupensky, the former Russian ambassador at Tokio; Despatch dated February 8, 1917.

I never omit an opportunity for representing to the minister for foreign affairs the desirability, in the interests of Japan herself, of China's intervention in the war, and only last week I had a conversation with him on the subject. Today I again pointed out to him that the present moment was particularly favorable, in view of the position taken up by the United States, and the proposal made by them to the neutral powers to follow their example, and more particularly, in view of the recent speeches of the American minister at Peking. Viscount Motono replied that he would be the first to welcome a rupture between China and Germany, and would not hesitate to take steps in this direction at Peking if he were sure that the Chinese Government would go in that direction. So far, however, he had no such assurance, and he feared lest unsuccessful representations at Peking might do harm to the Allies. He promised me to sound the attitude of Peking without delay, and, in case of some hope of success, to propose to the cabinet to take a decision in the desired direction.

On the other hand, the minister pointed out the necessity for him, in view of the attitude of Japanese public opinion on the subject, *as well as with a view to safeguard Japan's position at the future peace conference, if China should be admitted to it, of securing the support of the Allied powers to the desires of Japan in respect of Shantung and the Pacific islands.* These desires are for the succession to all the rights and privileges hitherto possessed by Germany in the Shantung province and for the acquisition of the islands to the north of the equator which are now occupied by the Japanese.

Motono plainly told me that the Japanese Government would like to receive at once the promise of the Imperial [Russian] Government to support the above desires of Japan. In order to give a push to the highly important question of a break between China and Germany, *I regard it as very desirable that the Japanese should be given the promise they ask: this the more so as, so far as can be seen here, the relations between Great Britain and Japan have of late been such as to justify a surmise that the Japanese aspirations would not meet with any objections on the part of the London cabinet.*

DESPATCH DATED MARCH 1, 1917

The minister for foreign affairs asked me today whether I had received a reply from the Imperial [Russian] Government relating to Japan's desires on the question of Shantung and the Pacific islands, and told me that the Japanese Government would very much like to have at the earliest moment a promise from us on the subject.

To the British, French, and Italian governments the prospect of the United States entering the war as an antagonist to Germany came as an event of stupendous importance, which promised to turn a situation portending stalemate or possible defeat into a good chance for the Allies to win the war. Therefore, even if they had not been otherwise interested in China, those governments probably would have supported any move by the American Government tending to draw neutral nations into sympathy and alinement with the Allies. Their legations at Peking were sympathetic to the American proposal, and so advised the Chinese Government. It was realized by all diplomats at Peking that Japan did not want China to get into the war, especially not on the side of the Allies. Japan might have liked to see China join with Germany, for she could have given no effective help to Germany, and that action would have provided Japan with a good excuse to occupy the country. Here, however, was a new situation, and the diplomatic world wondered how the Tokio cabinet would take it. Among diplomats at Peking it was pretty well understood how the Japanese Government would feel, but how would it act? The inquiry of the Russian ambassador at Tokio throws light on Japan's attitude. The Tokio Foreign Office without doubt perceived that thereafter, especially if America entered the war, it would be difficult for Japan to sustain any longer an attitude of keeping China out of the Allied consortium. But, in exchange for her consent to withdraw its objection to China joining the Allies, the Japanese Government expressly told M. Krupensky that Japan wanted the assurance of the Allied powers that her possession of the Pacific islands north of the equator that had belonged to Germany would be guaranteed by them, and that her position in Shantung also would be recognized. Stripped of its diplomatic euphemism, this meant that Japan would not help to bring China into the Allied group if that would result in depriving Japan of her ''whack'' in China.

It is probable that the revolution in Russia prevented the Russian Foreign Office from formally giving to Japan the desired assurances about the Pacific islands and Shantung, for the revolution broke soon after the receipt of M. Krupensky's despatch at Petrograd. Whether the British and French governments were asked by Japan to give similar assurances regarding Shantung, and whether they gave the assurances, remains at the time I write a diplomatic secret which the deliberations of the peace conference probably will expose. At that time (February, 1917), the Japanese ambassador at Washington went to the state department and stated that William J. Bryan, when he was secretary of state, had promised to respect Japan's special position in China, and asked in the event of China and America entering the war with the Allies that the American Government would support Japan's position in Shantung province and also her claim to the Pacific islands north of the equator. I am reliably informed that Secretary of State Lansing said that he knew of no promise of that nature ever given by the state department, and he declined to commit the American Government in the matter. In that interview, so I am informed, the Japanese ambassador told Mr. Lansing that Germany had approached Japan with a view to coming to an understanding. It is interesting to note how the Japanese Government, when it had occasion to procure some commitment in its favor from one of the Allies or co-belligerents, almost invariably would throw out an intimation of how Japan might get what she wanted from Germany.

Events at Peking, however, moved more rapidly than Japanese diplomacy calculated they would. The American minister with indefatigable energy was urging the Chinese Government to accept the American suggestion. The premier, Tuan Chi-jui, was the strong man in the Government, and really represented it in the negotiations, as Wu Tingfang's illness prevented him from participating actively. The Wai Chiao-pu was well represented by his son, C. C. Wu, who took part in most of the conversations. It developed that China wanted something by way of definite assurances, and asked that the American Government would promise that China would be consulted in the peace settlement as to the disposition of her territory and other questions. Dr. Reinsch was unable officially to give such an assurance, as the cable communication with America just then became temporarily interrupted; but he gave his personal opinion, in the event that China followed the advice of the United States, that the American Government without doubt would use its influence to have China's rights respected. Among those at Peking who labored to induce the Chinese Government to follow the advice of America were several British and American press correspondents, and especially Dr. George E. Morrison, for many years the Peking correspondent of "The Times" of London and now political adviser of the Chinese Government; and Dr. J. C. Ferguson, an American adviser. Dr. Wellington Koo, Chinese minister at Washington, also urged his Government at that juncture to adopt the advice of the United States. Among foreigners in China, except Japanese, there was almost unanimity of opinion that China's opportunity to escape foreign domination and a further restriction of her autonomy and territory lay in getting under the wing of America. By dint of much argument the leading men in the Chinese Government were induced to accept this view, and on February 9, China took the momentous step of severing diplomatic relations with Germany.

The official correspondence follows:

The American Minister at Peking to the Minister of Foreign Affairs.
[Note—Copy.]

Peking, February 4th, 1917.

Excellency:

I have the honor to advise Your Excellency that I have been instructed by my Government to make to you the following notification in its behalf:

This Government, in view of the recent announcement by the

German Government of its intention to renew indiscriminate submarine warfare, has no alternative but to pursue the course laid down in its note to the German Government on April 18th, 1916. It will therefore recall the American Ambassador and his suite at Berlin, and will forthwith deliver to the German Ambassador in Washington passports for himself and his suite.

I am further instructed to say that the President is reluctant to believe that Germany will actually carry out the threats made against neutral commerce, but, if it is done, the President will ask from Congress authority to use the national power to protect American citizens engaged in peaceful and lawful errands on the high seas. The course taken is, in the view of the President, in entire conformity with the principles enunciated by him in his address to the Senate on January 22nd, and he therefore believes that it will make for the peace of the world if the other neutral Powers can find it possible to take action similar to that taken by the Government of the United States.

I avail, etc.

[*sd.*] PAUL REINSCH.

The Minister of Foreign Affairs to the German Minister at Peking.
[*Note—Translation.*]

Peking, 9th day, 2nd month,
6th year of the Republic.
[February 9th, 1917.]

Your Excellency:

A telegraphic communication has been received from the Chinese Minister at Berlin transmitting a note from the German Government dated February 1st, 1917, which makes known that the measures of blockade newly adopted by the Government of Germany will, from that day, endanger neutral merchant vessels navigating in certain prescribed zones.

The new measures of submarine warfare inaugurated by Germany, imperilling the lives and property of Chinese citizens to even a greater extent than the measures previously taken which have already cost China so many lives, constitute a violation of the principles of international law at present in force, and an interference with legitimate commercial intercourse between neutral states and between neutral states and belligerent powers; if we submit to this method of warfare it will be equivalent to an admission on our part that this arbitrary and unjustifiable course of action is in accordance with international law.

The Chinese Government, therefore, protests energetically to the Imperial German Government against the measures proclaimed on February 1st, and sincerely hopes that with a view to respecting the rights of neutral states and to maintaining the friendly relations between these two countries, the said measures will not be carried out.

In case, contrary to its expectations, its protest be ineffectual, the Government of the Chinese Republic will be constrained, to its profound regret, to sever diplomatic relations at present existing between the two countries. It is necessary to add that the attitude of the Chinese Government has been dictated purely by the desire to further the cause of the world's peace and the maintenance of the sanctity of international law.

I avail, etc.

[*sd.*] WU TING-FANG.

The Minister of Foreign Affairs to the American Minister at Peking.

[*Note—Translation.*]

Peking, 9th day, 2nd month,
6th year of the Republic.
[February 9th 1918]

Your Excellency:

I have the honor to acknowledge the receipt of Your Excellency's note of February 4th, 1917, informing me that the Government of the United States of America, in view of the adoption by the German Government of its new policy of submarine warfare on the 1st of February, has decided to take certain action which it judges necessary as regards Germany.

The Chinese Government, like the President of the United States of America, is reluctant to believe that the German Government will actually carry into execution those measures which imperil the lives and property of citizens of neutral states and jeopardize the commerce, even legitimate, between neutrals as well as between neutrals and belligerents and which tend, if allowed to be enforced without opposition, to introduce a new principle into international law.

The Chinese Government being in accord with the principles set forth in Your Excellency's note and firmly associating itself with the Government of the United States of America, has taken similar action by protesting energetically to the German Government against the new measures of blockade. The Chinese Government also proposes to take such action in the future as may be deemed necessary for the maintenance of the principles of international law.

I avail, etc.

[*sd.*] WU TING-FANG.

Japan was surprised at China's sudden decision, but the Tokio Government immediately issued a statement, approving the action, so phrased as to give to uninformed persons an impression that China's action was taken by the advice of Japan.

Six months passed between China's breaking of diplomatic relations with Germany and her declaration of war against that power, and during this period the diplomatic struggle at Peking to sway China's policy was continued. The situation was complicated by an internal political quarrel between the executive branch of the Government and the parliament, which eventually caused the dissolution of parliament and a breach between the northern and southern Chinese parties, and had as an interlude the fiasco of the restoration of the monarchy. As these phases of China's internal politics are closely related to the war policy of the nation and form its background, some explanation of them is pertinent. I quote some comments of my own, published in "Millard's Review," Shanghai, of June 9, 1917:

> China is again in the throes of one of the recurring political crises which periodically threaten to disrupt the nation, and which are so discouraging to her foreign friends. The issue is, as usual, somewhat indistinct, both as to principle and expediency; but the chief elements can be discovered. At bottom, it is a struggle for control of the Government between Chinese political parties—or factions is a better term, for a Chinese political party, as these are understood in western countries, has not yet come into existence. Roughly, these factions are described as the Military Party, and the so-called Liberal Party—the latter being named the Kuomingtang. The Military Party is chiefly composed of the Tuchuns, or military commanders of the various provinces and districts. Nearly all the troops now under arms in China are controlled by the Tuchuns, and this gives them such political power as they possess. The Liberal Party has a majority in the Parliament—a Parliament which was elected, or selected by factional caucuses, prior to the last rebellion, and which was dissolved by Yuan Shih K'ai. The Military Party has, since the death of Yuan Shih K'ai, and the assumption of the Presidency by Li Yuan Hung, held the principal Cabinet offices, under General Tuan Chi-jui, recently Premier.

General Tuan took office when the State seemed to be crumbling, after the sudden death of Yuan, and managed to organize a Government, such as it was. Parliament, when it reassembled, became the center of opposition to the Premier's Government, as it had been in Yuan Shih K'ai's administration. There is little in this contest between Parliament and the Executive branches of Government to distinguish it, in principle, from similar contests in other countries since the struggle for democratic government began. There are the usual disputes over rights, precedence, power and privileges, as between the two branches of Government. A difficulty is that, in China, there is no recognized constitution; a temporary instrument exists, but its legality and application are matters of dispute.

Here are all the elements for political friction, and of course the friction developed. This was not unexpected; it even was not altogether undesirable in a republic, academically, provided it was restrained within proper bounds. But, when Parliament and the Premier disagreed—and they usually did disagree—there was a deadlock which frequently blocked the wheels of administration. An old story. The Premier tried to have his way, and Parliament, while obstructing him, sought opportunities to put the Premier in a hole. Between the factions, President Li Yuan Hung has tried to be neutral, and to shape his course by the provisional constitution, and the advice of foreign constitutional lawyers. His course has always been moderate, and conciliatory, and he has continually striven to preserve peace, and to work out a solution on republican lines. As the schism widened, the Premier drew to him the Tuchuns, and they formed a partial solidarity as opposed to the majority in Parliament. The quarrel developed into a complete breach, and the Premier induced the President to summon the Tuchuns to Peking for consultation. Some of the influential Tuchuns responded, and went to Peking; where they agreed to demand the dissolution of Parliament as necessary to the administration of the Government. On the other hand, Parliament—or the Kuomingtang majority—insisted on the dismissal of the Premier, and the appointment of a Premier and Cabinet harmonious with and satisfactory to Parliament. In this situation, the Premier resigned (or was dismissed by the President) and left Peking. The Tuchuns soon followed him to Tientsin, and announced their independence of the Central Government, threatening a military advance on the capital unless their conditions were complied with, and Parliament was dissolved. This is a rough outline of recent events.

In attempting to discern the merits of this dispute, and the better course to adopt, it is necessary to consider what are, or may be the real underlying causes of dissension, and the fundamental principles involved. The Military Party claims that the present Parliament has no legal basis for existence, and this argument is not without plausibility. The Liberal Party claims that it is trying to sustain in China the vital principles of republican and constitutional government. Therefore, the issue has two phases—what is right in principle, and what is politically expedient. As a matter of principle, taking constitutional forms as they are generally understood and applied, the Tuchuns are wrong in dictating to the Government, and in demanding the dissolution of Parliament. In short, a group of generals assert the right to decide legal questions, and to enforce their interpretation of constitutional issues. This assumption is subversive of constitutional government—there is no doubt on that point. So on the main issue, Parliament is technically in the right. On the other hand, the Military Party have a very good argument on grounds of political expediency. The Tuchuns contend that order is the first requirement of the Chinese Government at this juncture; that order cannot be maintained except by the Government controlling troops, and that the Tuchuns have the troops—therefore, the Tuchuns are the only officials who can maintain order, and their wishes must be consulted in the composition of the Cabinet, and the decision of administrative questions. Furthermore, the Tuchuns claim that if they would yield to Parliament, and obey its injunctions, that the result merely would be that they would be removed from their commands, and replaced by members of the other Party, who when in power would be not a whit less arbitrary in using the army for partisan advantage than the present Military Party is. There is much in the present state of Chinese politics to bear out this argument. As for Parliament, its case must now rest solely on the technical basis for its existence. As a functioning constitutional body it has so far been a failure.

The drawn-out controversy which preceded and brought on the crisis developed some interesting matters. An argument used by the Liberal Party to undermine the Premier with the people was that he plans to betray the country to Japan; and that he has recently concluded a secret agreement with Japan whereby Japan is to sustain the Military Party in restoring the monarchy in China, and be compensated by concessions and supervision over some of China's administrative functions. A prominent member of the Liberal Party said to me recently: "I wonder if the American Government understands why Japan, which has for some time supported our Party in Chinese politics, is now supporting the Pre-

> mier's party?" The reason, according to my questioner, is that the ex-Premier had planned to betray China into the hands of Japan. This accusation, coming from men who for years have been suspected of themselves being closely associated with Japanese designs and policy in China, is at least interesting.
>
> With reference to Japan's part in these complications, and her possible course in case China becomes embroiled in civil war at this time, I think that less apprehension need be felt now than if this crisis had come some months, or a year ago. World events are taking a course that compels modification, or at least suspension, of some phases of Japan's policy toward China, as exemplified by Group V of the twenty-one demands. Without accusing Japan of insincerity in her present professions of change of heart on these matters of policy, it can be pointed out that, even if she should still want to press Group V and to seize the opportunity which civil war in China would give for intervention here, world conditions are far less favorable to a consummation of such a project than formerly. The revolution in Russia and the military and political reconstitution of America that is taking place, with the reactions of those events on other Powers now and in the future, profoundly affect Japan's position, and therefore probably will influence her policy in China.

At that juncture the American Government took cognizance of the state of China and sought to check its disorderly tendencies by addressing to China a friendly note of advice. This act at once became the subject of wide-spread criticism, for it was a further innovation in the far-Eastern policy of the United States. I include here some of my own comments made at the time. In "Millard's Review" of June 16, 1917, I wrote:

> Action by the United States in officially requesting all the allied powers to address China in terms similar to the American note sent last week (advising China against becoming involved in civil war) has unusual significance. When the American note was published, the Japanese semi-official press immediately began to criticize it in a somewhat irritated tone, on the theory that it is rather an impudence for America to advise China, without first consulting Japan. Some editors even have held that, in case it was necessary to advise China, Japan ought to insist that any advice be given through Tokio exclusively. This argument is directly in line with

the hypothesis which Mr. Zumoto and other Japanese publicists have been propagating so sedulously during the last two or three years, and amounts almost to an assertion of Japan's right to manage China to the exclusion of other nations. This last note of the American Government seems like a direct retort to those assumptions. Not only does the United States take her own course in advising China, but she now goes further, and directly asks the Allies, including Japan, to join in giving the same advice. In one sense, this can be taken as a straw indicating the answer that may be given to Mr. Zumoto's speculations about how far America will go, as he puts it, in "interfering between China and Japan," or being a "political busybody in Eastern affairs." It begins to appear that American foreign policy already is taking forms not as yet comprehended, in all their significance, in Japan, and which are of intense interest to Chinese. This action of America, and the reasons which have prompted it, are of course quite apart from China's reception of the advice, and even of the other powers' response to America's request.

And in "Millard's Review" of June 23, 1917, I wrote further:

For the time, more interest has been evinced in the note of the American Government to China, and its effort to have certain other nations join with it in this pacific advice, than in phases of internal politics. There is some obscurity about the sending of this note, as to time and circumstances; but it seems to have been the intention of the American Government to present the note to China, and at the same time to provide other nations with copies of it, asking them to address China in similar terms. Evidently it was not intended to make action by America in any way dependent or conditional on conjunction with any other nations, for the note was presented independently, without waiting for replies from other powers. These replies have now been made, to the effect (as to Great Britain and France at least) that while they agree in principle with the advice given by America and with its objects, they are inhibited from joining in the advice. Analyzed, this hardly can mean anything else than that Great Britain and France, at some previous time, have made engagements (probably with Japan and Russia, or with either) which are not abrogated, and which deter those powers from acting with America at this time.

Perhaps one purpose of the American note was to bring this revelation. If Great Britain and France think the American advice sound in principle, and correct as to objects, why not join with America in trying to influence China by friendly moral suasion, in the interest of maintaining peace among Chinese at this time, and probably also with the additional object of finding a way peacefully to sustain democratic institutions in this country? The answer logically must be that, at some time within the last few years, perhaps since the great war began, Japan has wrung commitments from these powers regarding their policies in China. If this is true, then undoubtedly America wants to know it, and the way has been paved to find out exactly what the status is. The time is coming when, in the far East as well as in Europe, all the holdover agreements of the secret school of diplomacy, which played so powerful a part in getting the world into this war, will have to be put face up on the table. This is the intimation carried in world politics by this American note to China. It is indicative of fundamental diplomatic moves that are taking place as a result of entrance of America into the war.

The Japanese press in Japan and that part of the press in China controlled by Japan made an issue of this incident of the American advice to China. As usual, the criticism was linked with a systematic misrepresentation of the facts and with garbled news despatches about the affair. I quote from two leading Japanese newspapers on the topic:

FROM THE "TOKIO ASAHI"

That the advice recently given to China by Dr. Paul Reinsch, American Minister to China, was clearly interference in the domestic politics of China cannot be denied. Only it is not clear with what motive that advice was given. It had been interpreted in good faith that the advice was given under instructions issued carelessly by the American Government, based upon the recommendations of the American Minister in Peking. But we now have come to learn of the true intention and motive of the American advice from the reasons made public for sending that advice by the American Secretary of State, as per our special despatch from New York. According to the entire tenor of the American advice to China, America meant from the first to interfere with the domestic affairs of that country. She purposely exaggerated the mobilization of Japanese troops and the urgency of preparations of the Entente Powers against the war situation as reasons for this advice. We considered the rumor of a Japanese invasion of Siberia very seriously in connection with the rumor of a separate peace by Russia. Now this horrible scheme has been made use of in the American advice to China. Even if the rumor in question were true, the contention that Japan needs to prepare to mobilize in Manchuria sooner or later on behalf of the Entente Powers does not by any means justify America's independent interference in China's domestic politics by over-riding other nations.

FROM THE "YAMATO" (TOKIO)

America's recent action was at great variance with the policy hitherto pursued by that country. It is still fresh in the memory of the Powers that America withdrew from the Quintuple Syndicate in China on the ground that it did not wish to interfere in Chinese politics, and that when the Japanese Government approached America with a proposal of advising Yuan Shih Kai to postpone the establishment of a monarchy, she declined to take concerted action with Japan and other Powers for a similar reason. Yet America has now precipitately interfered in China's domestic politics independently of the other Powers, who are assuming the passive attitude of lookers-on. Moreover, America must be aware of the superior position enjoyed by Japan in China, which may be compared to that enjoyed by America in Mexico. Yet while Japan has abstained from taking any steps whatever in Mexico, in deference to America's special position there, America has interfered in China's domestic politics by ignoring Japan's position there.

The "Japan Advertiser," the American paper at Tokio, had this to say:

Anyone who knows anything about America's policy in China will appreciate that America has no political ambitions, no desires for spheres of influence or any political or financial control in China. The note addressed by the United States Government was a friendly one and merely advisory, and expressed a desire to see China set aside her factional political disputes at this critical time.

We regret the comments in the Japanese press and we regret the interviews which were given to the foreign press, because we have worked and wish to continue to work for closer and more friendly relationships between Japan and the United States. There never was a time when conditions were more favorable to the promoting of a closer and better understanding between the two countries, nor has any administration in Japan stood on a broader and

> saner foreign policy to assure such results than that of those in power at the present time.
>
> We regret it because suspicion will now be attached to Japan's motives. The note which the United States sent to China is one which any and every nation having the interests of China at heart should be willing and ready to subscribe to. There is nothing in it which any nation can justly take exception to.

I want to elucidate the matter of this advice of the United States to China now because it was a forerunner of important events, and because it was a fairly distinct revelation of certain international purposes and alinements. The American note in itself was inoffensive in tone and had no ulterior objects. It simply suggested to China that the moment was very unpropitious for any nation to become internally disorganized, and that such a situation contained special dangers for China. Why any other power should object to such an influence being applied at that time to the situation of China one scarcely can see, unless other powers *should desire to have China in disorder.* I bring these points out here because later on this same question of the foreign powers advising China about the same condition came up again in somewhat different circumstances. The Japanese propaganda about the incident then was a prelude, as it developed subsequently, to certain purposes of the Ishii mission to America. In "Millard's Review," June 23, 1917, I wrote:

> Japan has followed the example of the principal Allied nations of Europe, and is sending a commission to America composed of eminent Japanese. The Japanese press attaches great importance to this visit, and no doubt it will be given considerable prominence in the United States, where it will be "boosted" by the full machinery of Japan's organized publicity there. I am very glad this commission is to visit the United States at this time, but hardly for exactly the reasons which the Japanese press advances. The well-worn formula, "to create a better understanding in America of Japan's true purposes," which is the ostensible purpose of the visit as ascribed by the Japanese press, is of course merely the customary balderdash. Such visits of Japanese, and Japan's propaganda in America have heretofore been used principally to

prevent Japan's purposes from being understood there. I regard the purposes of this mission as follows: First, to get into the limelight along with the other powers before the American public, so as to absorb some reflected popularity and to keep Japan's viewpoint to the fore; Second, to insinuate Japan's theorem of adjusting the war issues as they apply to the East into the thought of the American people and American Government. Of course, this is perfectly legitimate from Japan's standpoint, and is just what the special missions of other nations went to America to do in their own behalf. Without doubt, the Japanese mission will be received as politely as the other missions were, and what the commissioners have to say will be listened to seriously. In one way, however, I think the Japanese press is a little wrong in perspective on the mission, and its effects in America. It assumes rather too much that these eminent Japanese will tell a lot to Americans, and is inclined to ignore what Americans may tell these Japanese. I welcome, and the American Government also should welcome, this chance to tell Japan privately, but in perfectly plain terms, how the United States regards some of the fundamental problems connected with far Eastern conditions and politics; and to make it plain to Japan that hereafter the United States intends to interest itself actively in the solution of these questions. Once this is accepted in Japan as a fact, there will be a great and I hope a permanent improvement in the relations between Japan and America.

One thing that ought to be impressed on these commissioners is that the United States will not submit to being thrust into the position of a satellite of Japan in respect to China; nor of Europe either. Emphasis of this point need not mean nor display any suggestion of antipathy to Japan, or of opposition to her legitimate commercial expansion in China, or anywhere; nor of indisposition of Americans, or the American Government, to cooperate with Japan whenever cooperation is legitimate and feasible. But America, in dealing with China, should remain a free agent, with full independent powers of action in matters of particular interest to our nation and which are or should be outside the scope of intervention by other nations. We allow this position to Japan, and should insist on retaining it for ourselves. I have no patience with publicists in America who are disposed to concede a contention so frequently advanced by the Japanese semi-official press, that under the Root-Takahira Agreement the United States Government is required or obligated to consult Japan before taking important steps in China. Recently, according to reports telegraphed from America by Japanese news services, the "New York Evening Post," a leading pacifist organ, argues that the United States "should understand Japan's special predominance in China, and not take any diplomatic action there without first consulting Japan, because there is a convention, etc." The Japanese papers garble utterances of this kind so frequently that I may be doing the "Evening Post" an injustice to credit it with having advanced this argument, but it is in line with utterances of that paper that I have seen before. When it advances (if it has done that) the argument that the Root-Takahira Agreement commits the United States to consult Japan in all diplomatic moves made in respect to China, it takes an utterly untenable position, which will not bear analysis.

The Root-Takahira Agreement consists of identic notes exchanged between the then Japanese Ambassador at Washington and Elihu Root, then Secretary of State, by which both Governments, in identical terms, engage to sustain the *status quo* in China and the principle of equal commercial opportunity here and the territorial integrity of China. Article 5 says: "Should any event occur threatening the *status quo* as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take." Does this seem to require the United States to consult Japan previous to sending a Note to China, which is aimed to sustain the principle of the Root-Takahira convention? And if it should be so construed, does it not bind Japan in exactly the same way? Does the Japanese press contend that, before taking any steps in China, Japan must previously consult the United States, under the terms of the Root-Takahira convention? And if so, why did not Japan previously inform the United States of her intention to present the famous twenty-one demands to China? The assumption that this last American note need first be visaed by Japan before being presented to China is preposterous, and efforts to inject this idea into American opinion and policy, and into Chinese thought, should be resisted.

The Chinese Government took the advice of the American Government in the same spirit that it had been given, and replied, thanking the American Government for its advice and stating that the matter would be given careful attention. For the moment the advice made a strong impression on the fractious political groups in China and among the intelligent Chinese generally; and had it then been supported, as the United States asked, by similar advice of all the Allied powers, it might have been made practically effective; but none of the other powers officially supported the advice, and one of them, Japan, had different plans about China.

From the time when, in February, China had severed diplomatic relations with Germany, there was pressure at Peking to induce the Government to follow the breaking of relations with a declaration of war. China's reluctance to do that had been modified by the entrance of the United States as a belligerent. The declaration of war by America had indeed altered the whole war situation for China, but the full meaning of the changes it wrought in war policy did not at once penetrate Chinese thought. As the two belligerent groups were defined before America entered the war, the Chinese had little faith in the protestations of any of the warring powers. The Chinese did not think that Great Britain or France or Italy had any special invidious designs upon China, but they firmly believed that Japan had such designs and that Japan had somehow obtained from her Allies the privilege of doing as she liked with China. This hypothesis was constantly being confirmed by circumstances. To the Chinese the attitude of the powers, and Japan, toward the American advice to China was circumstantial evidence of a secret recognition among them of Japan's paramountcy in the far East. At that time the Japanese press was busily sowing suspicion of America among the Chinese. I commented on some phases of that propaganda in "Millard's Review" of August 11, 1917, as follows:

> Some grave matters are broached in the leading editorial of "The Herald of Asia," [the Tokio magazine edited by Mr. Zumoto], under the title, "American Friends of China." The article begins by mentioning the publication in book form of impressions gained by Mr. Tadasaburo Yamamoto (described as a millionaire shipowner) during a recent visit to China. The author describes his

conversations with a number of prominent Chinese, among whom was Mr. Tang Shao Yi, who is quoted as having said: "It is the Americans who led the Koreans to the loss of their independence. Americans instigated Korean politicians in schemes of national independence, which unsettled the minds of the Korean people. *This was doubtless a contributing cause of the annexation of that country by Japan. Americans are now apparently trying to make China follow in Korea's fatal footsteps."* That certainly is a remarkable point of view. One wonders just what Mr. Tang had in mind in casting now this veil of suspicion over American policy in China. However, "The Herald of Asia" proceeds to interpret: "Mr. Tang Shao Yi doubtless speaks from personal knowledge when he says that the same fatal mistake which some of their compatriots made in Korea is now being committed by a group of Americans in China. It is not to be supposed for a moment that any hint is here intended that the consequence would be the same as in the case of Korea. China is now passing through one of the most important crises in her history. It is easy to see that dangerous rocks are ahead of her, but we have too much faith in the race virility of her people to believe that she will ever pass under alien rule. It is not, however, to be denied that a number of Americans in the far East are pursuing a line of policy which is calculated to thwart understanding and good will between the two great Asiatic nations which common interests should make the best of friends."

But Mr. Zumoto, it appears, is only using Tang Shao Yi's alleged views as a text to preach a little sermon to China by citing the horrible example of Korea. "The Herald of Asia" proceeds: *"It may reasonably be doubted whether Korean independence could have been saved even if she was free from all instigations by her American friends.* Having proved herself incapable of self-regeneration during over twenty years of her intercourse with the outside world, it was obvious that she badly needed guidance and instruction from a strong Power vitally interested *in her preservation from hostile foreign aggressions.* When the struggle for supremacy in Korea between Japan and Russia ended in our favor, there was no longer any doubt as to who should be Korea's protector and guide. To any candid observer it was plain that the only wise and patriotic course for the Koreans was to accept the logic of events and grasp in an open-hearted manner Japan's outstretched hands of friendship and assistance. Had they done so, they might not have been able to secure their independence, but they certainly would have been able to retain in their hands a large measure of national autonomy. . . . The Koreans may perhaps be pardoned for their failure to seize the unique opportunity of bettering their national fortunes thus offered by Japan. . . . It may not be quite correct to say, as Mr. Tang is alleged to have said, that it was her American friends who caused the loss of Korea's independence. But it seems perfectly safe to say that Korea's American friends, with few exceptions, did much to retard the process of her reconciliation with Japan and to that extent contributed to her final annexation by Japan."

These extracts from the article of "The Herald of Asia" are enough to give its tone and argument. According to the editor, the Koreans perhaps would have lost their independence and autonomy anyhow since that fate was inevitable (although the independence of Korea was guaranteed by Japan in her declaration of war on Russia, in the first alliance with Great Britain, and in the treaty of peace with Russia), but that loss was hastened and aggravated because of the sympathy of Americans living in Korea with the national sentiments of the Koreans. "The Herald of Asia's" argument about Korea is not pointed at the American Government, for it is well known that President Roosevelt was most accommodating (even ignoring a treaty then in existence between the United States and Korea) by falling in gracefully with Japan's policy of acquisition; so it narrows to a revival of the old accusation of pernicious political activity of American educational and religious missionaries in Korea. We had thought that this accusation was (at least among intelligent westerners) sufficiently disproved by the revelations at the trial of the so-called conspiracy cases at Seoul a few years ago. To American mission organizations can be left the task of defending the status of that work in Korea; but when "The Herald of Asia" draws an analogy of China with Korea, and of the disposition of Americans living in China to sympathise with the wish of Chinese to sustain China's national existence, that thesis requires demonstration.

With the case of Korea, the alleged unfortunate (to the Koreans) sympathy of Americans there without doubt is meant to apply, and in practice does apply to American missions; and the inference clearly is that in case American missionaries in China show a similar sympathy with Chinese in their wish to preserve their nationality, that Chinese ought to beware of such sympathy and of actions springing out of it as likely to have a result here similar to what occurred in Korea. The inference of course also applies to Americans in China of other occupations who hold such views. As to the sentiment of American missionaries and educators in China on this point, it is pertinent to recall the striking letter written by a leading American churchman in China to President Wilson soon after the presentation at Peking of the famous demands in twenty-one articles, in 1915: "In the very nature of the case, every American missionary, Catholic and Protestant, sympathizes with China in her desire to preserve her independence and integrity. Indeed, while our missionaries are not preaching politics, our usefulness with the Chinese would be immediately at an end if they felt that we were out of sympathy with their aspirations to preserve their national freedom and independence. The Japanese Government understands that all missionaries, and especially Americans, whether they express it or not, feel in their hearts hostility to any effort on Japan's part to secure control of China by threats of force. Christianity inspires individuals to be loyal to God rather than to man, and to contend for freedom to worship Him according to the dictates of their own consciences. Such convictions are necessarily in conflict with any attempt at military dictation to a nation by an alien Government and race. The Japanese Government as instinctively feels the antagonism of Christianity to her progress in Korea and in China as the Roman Government felt the antagonism of early Christianity to her imperial despotism. Hence, Japan's attempts by threats of force and through her efforts to impose secrecy on China to secure the control of this nation, in the very nature of the case will lead her also to hinder, cripple, and if possible to destroy the work of Christian missionaries in China."

Humanity has a short memory; but we think that "The Herald of Asia" mistakes somewhat by believing that the world's memory is shorter than it really is; and if it is short of memory the world often is long of remembrance. Does Mr. Zumoto think that Group V is so soon forgotten?—and that the world also has forgotten that the United States was the only power which excepted publicly to Japan's action then? There is a general disposition, in the interest of keeping appearances, to be willing to allow that incident to drop into the limbo of relegated matters that have been outcrops of the great war, and which are now slipping away in the course of developing the war's objects on new and broader lines. But Japan never has definitely repudiated nor relinquished Group V; and until that is done it cannot be forgotten, nor overlooked. For reasons that are daily becoming more apparent, Japan is now hindered from presently pursuing a frankly predatory policy in China, for predatory policies are distinctly going out of fashion among the more enlightened nations that in the main compose the existing Allied association—the nations which must conquer militarism if it is to be conquered. We may be sure, further, that if militarism is suppressed in Europe, that it will not be allowed to survive in dangerous form in the far East. And with an extinction or suppression of militarism there also will be an enforced deletion of political policies based on militarism. Therefore Americans who live in China need feel no hesitation in giving play to their natural democratic disposition to sympathize with China's national aspirations. In so acting they are sure of being in line with the announced policy of the American Government, and with principles that democracy is now struggling to keep alive in the world. By the way, "The Herald of Asia" deprecates any criticism of Japan's policy in China by Americans; but that paper by its article shows that it considers efforts of the Japanese press to sow suspicion of America among Chinese to be perfectly legitimate.

I want to mention here that Tang Shao Yi told me a year or more after I wrote those comments that he had been altogether misquoted by the Japanese author, who perverted his meaning.

During the period when China was being urged by the United States and other of the Allied powers excepting Japan to declare war against Germany I frequently discussed the situation confidentially with prominent Chinese politicians of both factions, and I obtained in that way a very good idea of the Chinese point of view on the war. Perhaps I cannot express that view better than to quote, without giving his name, an eminent Chinese as he spoke privately to me on one of those occasions when I was urging that China should follow the advice of the American Government and enter the war. He said:

> I am in favor of China entering the war, but only on the express stipulation and promise of the United States and Great Britain and France that certain things will be assured to China. We want the definite promises of those powers that China will be protected against Japan; that under no circumstances will any of them hereafter recognize or support any claim or pretension of Japan to a special position in China, or to any kind of a paramountcy in relation to China. Frankly, we Chinese believe that Great Britain and France already have committed their governments to support Japan on these questions; therefore, we want the

unequivocal promises of those governments that whatever arrangements they have made with Japan or any other power that are of such a character will be abrogated. We Chinese do not believe that the United States ever has, or is now contemplating, the recognition of Japan's paramountcy in respect to China; but if America has no thought of that policy, why does your Government permit to proceed uncontradicted from any official source the plain imputations of Japan's propaganda and press that Japan is entitled to a paramount position in China?

I think I have observed among the other nations a disposition primarily to consider their own positions and interests, and so we Chinese may be excused for thinking first about this war in terms of the interests and security of China. You say we can trust the United States, and especially President Wilson, to get justice for China at the peace conference. As to that, your Government has always talked very well about China, but at the pinch it usually has left her in the lurch by refusing to take any active part in aiding her, or even to enforce your own policies here. As to President Wilson, he is but a man and will die in time, and his tenure of office ends in a short while. He cannot answer for his successors or the policies of succeeding governments. As for me, I have begun to doubt if the United States ever will have either the power or the will to be of much real aid to China. Good wishes are fine things, but we need practical help and a practical display of force behind our nation. We do not now trust Great Britain or France, because of their apparent acceptance of Japan's policy toward China. We cannot afford to repose trust in the United States until it proves to us that it has the will and *the power* to help us. The United States never has been a military nation, and in the East international politics moves in terms of military power. So while we believe in the good purposes of America, we cannot put our dependence solely on her. A league of nations, you say; but such a league is at present a mere vision. It is only if the United States, acting with the other western powers, will give us definite promises that I favor China entering the war. Separated from America, we do not trust Great Britain and France. Separated from Great Britain and France, we do not believe that America will be strong enough to put a check on Japan. Moreover, who can tell which side will win the war? Japanese military and naval experts have told me privately that Germany is sure to win; and in that event how will China's position be improved by assailing her now?

At that time, the summer of 1917, the resources of America for war and their effects on the military situation were but slightly comprehended in China, but the influence of the United States was growing with each passing month. Japan's diplomacy still was discouraging China from entering the war, but this opposition was less obvious—that is, more secret—than formerly. The Japanese press still was critical of the proposal that China would become a belligerent. Its general attitude is very well outlined by some comments of the "Japan Chronicle," printed in August, 1917. The "Japan Times" is considered a mouthpiece of the Tokio Foreign Office, published in English.

> While on the subject of the attitude of the "Japan Times" concerning German influence, it is instructive to go back a few months. Today the Tokio journal is convinced that any opposition to the declaration of war by China must be due to the influence of German gold. But a few months ago, when it would have been possible for China to join the Allies without much friction, the "Japan Times" was most vehement in its objections to such a course. In those days it saw the influence of German gold in a proposal that would have effectually destroyed German intrigues in China. As recently as last October the Tokio journal was denouncing "the English journalist Simpson" ("Putnam Weale") as "the party" who is endeavoring to obtain the admission of China to the ranks of the Allies, and to show its opinion of anyone who advocated such a scheme professed to accept as true a Japanese rumor that Mr. Simpson had tried to "blackmail" the Governor-General of Mukden. Furthermore, the "Japan Times" worked itself into a white heat of indignation over the suggestion that "Great Britain is again scheming to induce China to enter the war on the Allies' side," declared the story to be unthinkable, suggested that such action on the part of Great Britain would be "unprincipled" and professed to a suspicion that German machinations were behind the scheme. The tendency of the whole article was to suggest that if Britain held views in favor of China joining the Allies, she was guilty of an unpardonable offence. Since then the Japanese Government has been changed. A new Administration has come in with a different policy. The objections which Japan held to China joining the Allies have been withdrawn. Consequently the

"Japan Times" has promptly turned its coat. Where a few months ago the suggestion that China should join the Allies, or the statement that Britain was encouraging her to do so was the result of German machinations, today the opinion that it would be a mistake for China to enter actively into the war must also be inspired by German gold. We are left to speculate on the inspiring motive of the volte face of the "Japan Times," which within seven months can hold two absolutely contradictory opinions, on each occasion suggesting that those who hold the opposite opinion must be dishonest.

As valid reasons why China should enter the war against Germany were cited certain conditions affecting her that would thereby be relieved or ameliorated. These conditions are summarized in a memorandum submitted to the Chinese Government by Dr. George E. Morrison in August, 1916, as follows:

1. The share of the Boxer indemnity which China has to pay to Germany is $135,000,000, and to Austria $6,000,000—a total of $141,000,000. These amounts would revert to China.
2. Of these amounts, without any increase of her present burdens, China could obtain from the Allies a loan of not less than $100,000,000.
3. China is at present paying to Germany on account of the Boxer indemnity and on account of railway and other loans, £6,000 per day. The payment of that money would at least be suspended until after the war, and in case of the £2,000 per day paid for the Boxer indemnity, it would never recur.
4. The German concessions at Tientsin and Hankow would revert to China, or they might be embodied in International Settlements, the creation of which would materially lessen China's friction with the foreign Powers.
5. By terminating her treaties with Germany China would be able make new and more advantageous treaties after the war, and possibly have a general revision of treaties.
6. In the Customs there are 118 Germans employed, 41 in the indoor and 77 in the outdoor. By their removal vacancies would be made which could be filled by Chinese students, of whom 24 per year are turned out by the Customs College and are waiting employment.

When it was evident that the united urging of the American, British, and French governments, and the influence of individual foreigners, would bring China into the war, Japanese diplomacy made a characteristic manoeuver. The Chinese Government was advised by Japan to declare war as one of the Allies, and not as a separate nation. This was a scheme to detach China from the United States, which power never had formally joined the Allies, and attach her to the Allies, thereby making her a part of and subject to the private agreements made among the nations composing the original alliance. Of course Japanese diplomats did not, in presenting the question to Chinese officials, put it quite that way; but the Japanese press in its comments plainly revealed that as the motivation of the plan. China decided, however, still to follow the example of the United States, and independently declared war against Germany and Austria on August 14, 1917. I discussed that action contemporaneously in "Millard's Review" of August 18:

> China has declared war on Germany and Austria. This momentous decision opens vistas that none can fathom now, and contains possibilities for this nation which cannot be calculated accurately. Yet any candid attempt at fore-measurement of the eventual results of this action must consider it favorably. Taken as a move in a political formula, this act is logical. By first protesting to Germany, in conjunction with the United States and other then neutral nations, against Germany's unrestrained submarine warfare, China took an attitude that led almost inevitably to the next step—severance of diplomatic relations with Germany. At that point the matter hung fire for several months, for various reasons. The former Government was inclined to take the next step, but it showed a disposition to make the step conditional on actions or promises to be given to China by the Entente allied nations. In so insisting China was well within her privileges and rights; for China without doubt has very vital interests which are indissolubly bound up in the outcome of the war—the assurance hereafter of her national integrity and autonomy, the recovery by her of rights and possessions which during the application of the now-declining "sphere" and "special position" international theorem were wrested from her or established by forcible presumption, the adjustment of fiscal matters affected by agreements with other nations.
>
> But the principal nations of the allied association have taken

the position that China ought not to enter the war as a bargain-maker, but rather should enter as a matter of principle, and having once entered she then could depend on the allied association of nations to apply to China the broad principles which are now in process of being formulated into a fixed understanding among those nations—principles whose guiding thought is to keep alive the spirit and forms of democracy in the world and to bring a peace making it possible for unmilitary and inoffensive nations to live in security. In fact, China had small basis for trying to enter the war as a bargain-maker. She had plenty of precedents in history for that attitude, and enough precedents in the way some nations have come into this war. But bargaining in this case means having something to give that is useful in prosecuting the war—and when it came to that kind of bargaining China had little to give in material factors. If her only asset or claim to consideration rested on what she could deliver to the allied association by way of material help to them in prosecuting the war, then China's position was weak. For instance, if all that the allied association had in mind was to use China to augment their military power during this war for the purpose of defeating the Central Alliance, this object might be obtained by using China as a sort of international trading-stamp by granting to some powers in the allied association certain desired advantages of "special position" and "paramountcy" in China in return for those powers supplying military forces for use in Europe. That method of course would have to discard all pretence of paying attention to the rights of weaker nations. It is morally indefensible; but when China sought to put her entrance as a belligerent on a bargaining basis she was resigning voluntarily the arguments inherent with her moral position as a "weaker nation" in the sense this phrase is now being used in relation to aims of the war from the standpoint of the allied association.

Other elements besides this moral issue contributed to delay action by China. Chief among these were the complications caused by an internal disintegration of the Chinese Government which has led the nation to the brink of civil strife. At a time when the question of declaring war against Germany was being discussed actively at Peking, the dispute between the parties arrived at an acute stage which precipitated the dissolution of Parliament, was followed by the abortive restoration of the monarchy, and then by a return to authority in the Government of Tuan Chi-jui. Almost at the inception of that crisis the American Government advised China in effect that for the moment the question of declaring war on Germany was of less importance than the maintainance of internal order.

Whether that advice (which stirred up a little international tempest of tea-pot proportions) actually influenced the Chinese or not, the internal situation did for a while obscure and suspend the question of entering the war. But the war question could not for long remain in the background, because it virtually encompasses most of the other issues involved with China's situation. No doubt the Government at Peking felt the influence of those other forces in making its decision to declare war.

. . . .

Effects of China's action on her foreign relations and international position have wider scope. In the far East the first effect that will be thought of is connected with Japan. By entering the war China shifts her international position from that of a neutral (which in practice has come to mean a nation or individual whose rights no belligerents feel obligated to respect) to that of a member or associate of a belligerent group which includes Japan. It will be very interesting to notice how Japan as a Government will take this change of China's status that so materially alters Japan's position vis-à-vis China. We already know what Japan thought about China joining the Allies when it was first proposed nearly two years ago. At that time Japan (if we can judge by the outbursts of the semi-official Japanese press) very strongly dissented to the proposal. In recent months (since the entrance of America) the Tokio Government has adopted a different attitude than formerly and now professes no objection to having China come into the allied group. Political conditions in the world without doubt have induced this change of view and policy at Tokio; but has the Japanese Government also experienced a change of heart?

It is not with the thought of pecking at Japan or of not permitting the world to forget acts of Japan which Japan herself may now regret, that we bring this matter into view now; but because it is a fundamental issue of the proposition that cannot be ignored or suppressed in any discussion that is not altogether superficial. It is necessary to reiterate some phases of this question again and again to get them firmly fixed in the world's public opinion out of which a solution of the war must come. None are so entirely and supersensitively conscious of how Japan's international position is being affected by passing events and tendencies as are the Japanese themselves, no doubt. The intellectual force (or the force of the intellectuals) which will or ought to dictate the terms of peace is considering Japan, is sizing her up and ticketing her off, just as it is sizing and ticketing off all the other big and little nations, to discover how they line up for or against the principles of democracy which the major part of the allied association are now committed to sustain in making the peace and after the peace.

. . . .

In deciding to cast her lot with these forces that are now getting concentrated with the major nations in the allied association, China has not however acted wisely or cleverly solely on the ground of expediency. She has taken a road which leads toward where China ought to want to go—a civilization in which China can be free from fears of external encroachments incited by the old predatory and narrowly exploiting spirit, free safely to develop her own nationality by peaceful process into a firm and respected position in the world. And having chosen this course China should never lose sight of the principles to which she must cling if this vision is to become a reality, never forget how easy it might be to turn the current by deflecting some important element to the other side, and should commit herself wholeheartedly to doing what she can to help the common cause. For it will make a great deal of difference to China which side wins this war, and which side has the dominant saying in making the conditions of the peace. It means the difference between two diametrically opposite theorems of world politics. It means (why should we not say this?) the difference of the policy of America toward China in the past twenty years and the policy of some of her nearer neighbors which have kept her in almost constant alarm and apprehension, and which if they should be consummated would reduce China to a vassal state or extinguish her national existence altogether. A victory for the reconstituted allied association means a China at liberty to indulge her desire to become a democracy in administrative forms as well as in the spirit (which she now has), and that she will not be driven by foreign militarism to develop militarism herself as the only alternative to falling under the dominion of military nations. It means the difference between Group V and a Hay Doctrine. As far as one can peer along the future course of events, this is the choice that China has made by declaring war on Germany.

When China declared war, the Japanese Government and the Japanese press realized the expediency of changing their attitude, which they did with usual celerity. The Japanese Government promptly issued statements approving China's act so phrased that they would impress any who were not familiar with preceding events with the idea that Japan was chiefly responsible for adding a new member to the Allied consortium. The purpose of this diplomatic fiction was to preserve the outward presumption of Japan's paramount position in respect to China. If it appeared that China had taken so important a step without consulting Japan, or against the wishes of the Tokio Government, then Japan's attitude of paramount power in China was punctured. But the Japanese press could not dissemble quite so readily. The following editorial comment of the Tokio "Asahi" fairly reflects the feeling of the Japanese about the event:

> China has at last declared war against Germany and Austria on August 14. Will it be beneficial to China? Will it be advantageous to the Entente Powers, especially to Japan? China has severed relations with Germany on the advice of America. But Americe told China that participation in the war is a secondary thing and that China should first address herself to secure unity at home. That was very kind advice indeed. China will not receive any very remarkable benefit from participation in the war. She will only incite internal dissensions thereby, so that she will have to sacrifice money and lives in the attempt to quell the discord at home. The southern leaders are opposed to participation in the war. But if they openly say so they are liable to be suspected of sympathizing with Germany and to win the disfavor of the Entente Powers. . . . If China is to be thrown into confusion, because of participation in the war, then it is not advantageous to the Entente Powers. It will not be advantageous to Japan, which has close relations with China.

So China entered the war, and gave to the far-Eastern situation a new turn.

CHAPTER VI

CHINA AND THE WAR—*CONTINUED*

Shift of Japan's diplomatic strategy—Efforts to establish a special position in respect to China—Analysis of the paramountcy and special position doctrine—Purpose of the Ishii mission to America—China disturbed by factional strife—The abortive monarchy revival—Return to power of Tuan Chi-jui—Financed by Japan—The loan question—Obstacles to American loans—The banking group method—Dangers of the old system—Japan's violation of the group agreement—China's desire to participate in the war—Effort to obtain funds from America—Opposition of Japan to China's participation—Reasons for this opposition—Japan versus the Western powers—A delicate question—Japan's plan to control China's military organization—Some confidential despatches—The Lansing-Ishii Agreement—What it meant—Motives of the parties to it—Was Japan flirting with Germany?—Text of the agreement.

OF Japan's modern policy toward China it may be said that it never changes its fundamental objectives, but it frequently shifts its strategy and tactics. The alteration of China's international position by that nation declaring war on the Central powers caused an immediate adaptation of Japan's policy to the new situation. One of the first moves of the Tokio Government was to try to obtain the recognition and confirmation of Japan's paramountcy, or special position in China. Each accession to the Allied belligerent consortium created new complications and modified previous trades and arrangements; so the entrance of America and China made it necessary for Japan to obtain the assent of another power to her program. The Ishii mission was despatched to America with that object, and Japanese propaganda in America began a special campaign for recognition of Japan's special position and paramountcy in China, for in Japan's propaganda the two terms are frequently used as synonyms. I wrote on this topic in ''Millard's Review'' of August 25, 1917:

> It is a rather curious development of opinion in America about far Eastern affairs, and especially about Japan and her policies, that part of the American press is now disposed to concede to Japan a "special position" and "paramountcy" in relation to China just at a time when Japanese statesmen and the Japanese press are suppressing these claims—or at least are *putting the soft-pedal on them.* One follows the mental process of some writers for the press in America with not a little speculation as to its well-springs and purpose. Take for instance the case of the "San Francisco Chronicle." We can recall, not so long ago, when that newspaper had a general tone that might (to follow the shallow terminology of the propagandists) be called anti-Japanese. That was when the Japanese questions which apply locally to California were to the fore. With the gradual suppression of those issues (a suppression not due to them being satisfactorily adjusted, but to other and wider causes of world politics that have altered the relative positions of both Japan and America in international affairs), many newspapers in America seemed to get imbued with the notion that Japan had to be placated, and that the best or the only way to keep Japan from being troublesome about the immigration question was to concede to her whatever she wanted elsewhere. Now of course it was to bring about this very state of mind in American political thought that caused Japanese diplomacy to raise and to agitate the immigration issue, and it is perhaps an irony of fate that just when Japan seemed to be "getting away with it," a world war and its unexpected ramifications would come along and undermine Japan's China policy at its point of first contact.
>
> Among some editorial comments on this topic by the press in America recently compiled by the "Literary Digest" (a majority of the papers oppose Japan's paramountcy claims, by the way) is the following of the "San Francisco Chronicle": "We might as well face the fact now that Japan does occupy a special position with regard to the neighboring Empire and that sooner or later her inevitable mastery of that country [China] will be definitely established." This goes pretty far—farther indeed than most of Japan's regular propagandists have ventured to state openly. Japanese diplomats would not like for these views of the "Chronicle" to be widely published in China, for they will not be at all acceptable to Chinese, however they may sound in America and Japan. A point very frequently overlooked by newspapers in America, in casually

as a matter of academic argument thus disposing of the Chinese Republic and the political future of the Chinese people, is how such opinions will be taken by Chinese, and how Chinese may be led by them to reflect about America and Americans. Putting the best motive for those opinions of the "San Francisco Chronicle" that can be ascribed to them—that they spring from a sincere belief not perhaps in the justice and morality of Japan's assumptions, but that because of her military power and economic strength it will not be possible to prevent her from absorbing China—they are published just at the moment when in Japan it is understood that this power and this strength has diminished, perhaps forever, as compelling forces to accomplish the supervision or subjugation of China. Every mail bringing the Japanese newspapers carries fresh and progressive evidences of this probably, to them, unwelcome conviction.

Paramountcy used in this connection is fairly definite. We can understand what is meant by it. But just what do the "San Francisco Chronicle" and other publicists who use the term mean by a nation having a "special position" with regard to China? Do they have in mind intellectual contacts, or moral influence, or is the term merely a geographical allusion? Except Russia, which has a land frontier contiguous with China for something like six thousand miles, Japan has a special geographical position with respect to China in that she is closer to China than any other of the greater nations. But is distance the only rule of calculation applicable to this idea of special position as between different nations? If it comes to moral and mental influences, surely they are not to be measured by a yardstick. One hardly will believe because Japan is miles nearer to China than the United States is, that thereby Japanese moral and intellectual influence with the Chinese must be in proportion to the distances. By the geographical theory of measuring influence and special position as among nations, then the United States has a right to claim a superior position to nations in Europe with regard to China. Some one ought to clarify this doctrine of special position by getting up a graduated scale, so that each and every nation will know by arithmetical method just what its special position is to every other nation. The idea has interesting possibilities. International contacts might be marked off on a chart, so that each nation could see at a glance how much moral and mental influence with all other nations it is entitled to have. The plan could be extended to trade among nations; this could be pro-rated on the international special position chart, and there need be no competition, for every nation would know how much trade it could have in proportion with the other nations.

But the bald truth is that this special position theorem in international affairs and world politics is on its last legs, if we are to believe that the present allied association is playing the game "on the square"; and that it will win this war, or that it will be able to dominate the thought of which the peace will be born. The bald truth is, further, that the special position theorem as applied by the "San Francisco Chronicle" to Japan vs. China is bluff and buncombe. Its only basis is the power to apply military intimidation. If this war does not succeed in getting world politics fairly clear of the special position doctrine, then it may be fought in vain—for it is in that doctrine that the causes for this war sprouted; and no broad political conclusion stands now more nakedly exposed than that a continued acceptance in international law and practice of the special position doctrine will cause frequent wars hereafter.

While the Japanese Government was making, at Tokio and Washington, a strong effort to induce the United States to recognize some kind of special position for Japan in China, and, as was subsequently disclosed, was trying to induce other Allied powers to bring persuasion or pressure on America for the same purpose, Japanese policy in China changed its method. This shift can be briefly described as a change from militant intimidation to financial pressure and bribery as means to get results. I shall illustrate that process in a subsequent chapter, and will here follow the international developments.

The factions in Chinese politics continued to draw apart notwithstanding the advice of the American Government, and by the autumn of 1917 there were indications that Japanese were playing the old game of giving comfort and support to both sides. The monarchy fiasco in the summer of 1917, when General Chang Hsun restored the young emperor for a week, had given Japan an opportunity to gain an influence over Tuan Chi-jui. Tuan had resigned as premier in Li Yuan Hung's government on the issue of dissolving the old parliament, and had gone to live at Tientsin. He was there when the monarchy was restored, and he succeeded in rallying some generals and their troops, induced them to march to Peking, retook the palaces, and restored the republic. In this move

Tuan was financed by Japan, obtaining a loan through the Yokohama Specie Bank at Tientsin. Tuan's success in overturning Chang Hsun's coup brought him into office again as premier. Li Yuan Hung resigned the presidency, and was succeeded by Feng Kuo-cheng, who had been governor at Nanking.

The Chinese Government was then in its chronic low financial state, and various projects to raise money were being discussed, bringing up the general question of foreign loans. A few months previously an American group of bankers had been prevented from making a loan to China by the lack of a responsible Chinese government to deal with. In June, 1917, I wrote in "Millard's Review":

> Will it ever occur, I wonder, that this question of loans to China can be disassociated from Chinese political factional squabbles? At hardly any period, since the first revolution, has it been feasible to conduct loan negotiations at Peking without running foul of opposition of a Chinese party, which was trying to prevent its opponents in the Government from obtaining funds. Thus loans sadly needed for useful purposes and administrative stability have been made the football of party politics, and have been struggled for, or opposed, according to which faction would have the spending of the money. In this latest instance, the American bankers had no course except to negotiate with the Chinese Government which is recognized by the American Government. Before the transaction could be concluded, this internal crisis occurred; and thereafter the Kuomingtang protested against the loan on the ground that the money, in the hands of the Government, would be used to crush liberal institutions in China. Telegrams were sent to the American press voicing this contention, and an effort was made to show that, if the American government aided in putting the loan through, it would be using its power to exterminate republicanism in China. One cannot now foretell a time in China when this contention cannot be advanced by whatever faction is not in control of the Government; and if it is to be taken as a valid reason against foreign loans, then it becomes tolerably clear that foreign loans, and especially American loans, cannot be made. Just now this outcry is raised by the members of the dissolved Parliament sojourning in Shanghai, who at the same time openly announce plans for raising funds to promote a rebellion. The lesson of these circumstances seems

to be that, after the war, the question of foreign loans in China must be made subject to an international formula supported by enough powers to make it effective.

The condition outlined in that comment of mine has been an effective bar to several projects for American and other foreign loans to the Chinese Government. American bankers were free to negotiate loans with the Chinese Government, but British, Japanese, French, and Russian bankers were bound by the Reorganization Loan Agreement not to make loans to China independently until the provisions of that agreement had been fulfilled or abrogated. Writing in "Millard's Review" just before China declared war, August 11, 1917, I commented on the question as follows:

> Under existing conditions, the United States has a strong interest in this matter of loans to China both for business and political reasons. The withdrawal of the American bankers from the 6-nation consortium was at that time conclusive with it; but the American Government made it clear that, by declining to support those bankers in the reorganization loan because of some of its provisions which were thought to infringe on China's autonomous rights and which the American Government would not assent to as a matter of principle, it in no way was qualifying the right of American bankers to deal independently with China or the right of the American Government to support such independent loans. With conditions as they have developed because of the great war, a peculiar situation relating to international finance has arisen whose reactions on the question of loans to China must be considered now. Let us suppose that, as is reported, the residuary of the 5-nation banking group offers a loan to China and will proceed with the negotiation and payment of such a loan. Under conditions that exist, British, French and Russian banks have no money to lend actually, and any such loan by them to China would have the character of a transference by banking process to this use of money borrowed largely from America. America is now financing Russia, Great Britain and France to the extent of billions, and probably will finance them for tens of billions more. It is a juggling of figures and phrases to say that a 4-nation loan to China now, which would exclude America and leave America out of consideration, would be an actual financing of China by the 4-nation banking group. Of the nations in that residuary group only Japan

has free money of her own to lend. This is none the less true in principle and in fact because, by bookkeeping, it could be shown that money so loaned to China might come from funds raised by domestic loans in Russia, England and France. Unless the great amounts now being supplied to those nations by America were derived from that source, then the supplies which that money is paying for would have either to be paid for out of funds raised by domestic loans, or be gone without; and therefore money would not be available to lend to China.

Loans to China during the continuation of this war therefore are on a different basis than formerly in both the financial and political aspects. In respect to American participation in them, such participation could take either or all of four characters—(a) money first borrowed from America by the British, Russian and French Governments which might turn some of it over to British, Russian and French bankers to lend to China, (b) money loaned to China independently by American bankers, (c) money loaned to China by the American Government out of the public funds, as is being done to Great Britain, France, Russia, Italy, Belgium and perhaps other nations in the allied association, (d) for American bankers to rejoin the 4-nation group. Which is the better method of helping China financially at this time is a serious question. For the American Government, in case China joins with the nations arrayed against Germany, directly to advance money to China certainly is the easiest and shortest way to get China out of financial difficulties and to make it possible for her to be of material help to the Allies. This method at once obviates any complications caused by the group muddle: for such action of course would be taken with the knowledge and approval of other powers in the allied association. If the bankers growled, they simply would be told to mind their business—and they would have to do that too. It is quite feasible, if the American Government desires it, for American bankers independently to make a large loan to China; and if other nations and the bankers of other nations should feel dissatisfied with that course they would have to make the best of it because of greater things involved. I think it can be safely assumed that the American Government will not consent to have the method designated (a) adopted; and that method cannot be carried out against the opposition of America.

By some ways of looking at this matter, something can be said in favor of carrying on by means of the group organization. But the banking group would have in that case to include American bankers, as formerly. This method would reduce friction and resentments among the banking interests of the different nations, and perhaps also would lessen irritations among the nations that would be the political sustainers of the financiers. It would however, at least during the war, require the fiction of an actual participation of Russian, French and British finance, whereas this participation would be largely relative. By preserving the group system, with the inclusion of American bankers, there would perhaps be less difficulty after the war in keeping matters straight and in going on easily and without undue international competition; although survival of the group carries the post-war German complication. I have not in this discussion so far paid much attention to one very important phase of it—what Chinese may think about the propositions. Chinese probably will, among these alternatives, have their opinion and preference which must be considered; but one can see that because of broader international relations it may not be feasible to conform to Chinese preference entirely in those arrangements. There ought to be give and take on all sides, having in view an adjustment conducive to China's integrity and security and to smooth international relations now and hereafter.

If the banking group should be determined as the means of helping China financially, care must be taken to obviate some conditions within the group and inherent with its old organization which would almost surely impair its usefulness now and hereafter. Versus independent action by one power, the group method has certain plain disadvantages derived principally (and this is pertinent) from previous conceptions of international policy as practiced by some of the powers in China. These disadvantages reside in those clauses which make it possible for any one national section of bankers, on their own motion or by instigation from their Government, merely by objecting, to prevent any action by the group that may be approved by the majority. In the comparatively short history of the group this has happened several times. We need not cite the instances—they will at once come to mind with those who have followed events in China in recent times. One time it was this power which obstructed, another time it was that power. Of several cases that have occurred, nearly all of them were due to diplomatic reasons of Governments which were not directly related to or connected with finance, or to the affair with which the group was immediately busy. For instance, a power wants something let us say in Manchuria, so to obtain that it has its banker nationals obstruct some financial matter until, by diplomatic indirection, the other thing is obtained. The game often in the past has been played this way at Peking. If the group is permitted to survive, this defect in its organization and working method should be effectively remedied.

Soon after the shift of Japan's policy in China caused by the change of China's international status, it became apparent that Japanese would not be bound by the group agreement. Beginning with the advances made to aid in the suppression of the Chang Hsun revolution, came a period of Japanese loans to China independently of the other group of Allied powers. When President Feng Kuo-cheng assumed office, his government seemed to want to participate in the war, and tried to obtain a loan from America to finance the participation. During the autumn of 1917 there were negotiations through the Chinese legation at Washington to obtain financial advances from the United States treasury under the same conditions that such advances were being made to other governments in the Allied belligerent group. I believe that the state department favored such advances—they were recommended by the American legation at Peking—but difficulties were made by the treasury department for budget reasons. It may be that the Ishii mission, then in America, had an influence in deterring the American Government from financing China as a war measure. At any rate, the project for an American loan failed, and from that time the Tuan cabinet began to lose faith in America and turn to Japan. Speaking to me a year afterward, Dr. Reinsch said that if he could then have given the Chinese Government positive assurances of American financial support, China could have been swung into an active war participation policy. The diplomatic representatives of Russia, Great Britain, France, and Italy at Peking all encouraged the Chinese Government to participate actively. Japan was opposed, and Japan carried the day.

The Japanese loan policy in China that followed after China declared war on Germany and Austria was distinctly opposed to the policy of all the other Allied powers there. I shall hereafter attempt to elucidate the methods, purposes, and results of the Japanese loan policy in this period, but it is necessary at this point to explain the principal conflict of the two policies. The western powers (America, Great Britain, and France) were in favor of financing the Chinese Government only under certain conditions. Under the act of Congress regulating such expenditures, the United States Government had authority to make financial advances to help nations in the Allied group in prosecuting the war, but the act was not interpreted to cover loans for other purposes, such as internal administration, unless specifically authorized by Congress. If the Chinese Government had presented a definite plan for war participation under the supervision of foreign officers, as was done by other nations, then it would have been feasible for the United States Government to finance the operations, and the Allied western powers would have approved it. But to advance funds to China without such a definite plan and without the necessary supervision and direction would probably mean that the money would be used in connection with the civil disorder, and would be used to prosecute a civil war instead of a war against Germany. Such procedure would immediately array perhaps half of the Chinese against the Allies. By common consent, then, the western allied powers moved cautiously in China, and in the circumstances it was felt that was the only safe policy.

Japan, however, played a lone hand. While her diplomats at Tokio and the other Allied capitals were professing agreement with the other governments, in China Japan took a course directly opposed to their ideas and wishes, and one which, moreover, was calculated to wreck the Allied policy, and which did wreck it. The French Government sent a military mission to China, which prepared a plan for Chinese participation in the war. That this question was a delicate one was recognized by experts who understood the real situation in the far East. It is interesting at this point to quote from a report of an experienced military expert of one of the western Allied powers at Peking, dated October 19, 1917:

> The Allies should desist from urging Japan to send troops to Europe, as if pushed too far her agents provocateur, of which

there are many on both sides in China, will undoubtedly be directed to bring about hostilities between the north and south, which will give Japan her long desired opportunity to step in and settle matters, and thus justify her reiterated statements that her forces were necessary at home in order to protect the interests of the powers in China, and to maintain and preserve the peace of the far East.

The Allies should at once take a definite and determined stand against Japan's disloyal and perfidious policy vis-à-vis China and China's political integrity, which policy is being given the active assistance and support of a body of unscrupulous venal, and traitorous Chinese cabinet ministers and highly placed officials.

If not checked at once, Japan will be induced to go the limit, naturally believing that the longanimity and tolerance of the Allies indicate their tacit approval or else fear, and eventually Japan's actions will be such as to make imperative the taking of stern and drastic measures, with the probable disastrous result of forcing her into the arms of the Central powers—a situation however which would probably be welcomed by the Japanese Government and certainly by a large majority of the Japanese people, who are at heart sympathetic with Germany and German institutions and methods of government.

Japan did not want to send troops to aid the Allies in Europe, for that would mean an enormous expense and no adequate compensation. Still less did the Tokio Government want China to send troops to aid the Allies in Europe, for that would place Japan in a very unfavorable light by comparison. At that time most military experts of the Allied governments stationed in the far East were convinced that the Japanese Government wanted Germany to win the war, and that it was seeking a good opportunity to quit the Allies and reach an understanding with Germany. It was plain to experts on the politics and conditions of the far East that what Japan wanted out of the war was more likely to be attained by a victory of Germany than by a victory of the Allies. I mention this belief now because it is pertinent to a phase of important events then developing. The Japanese Government could not very well object openly to China aiding the

Allies in Europe, for that would put too severe a strain on its relations with the other powers, but such participation by China might be prevented by intrigue. Roughly, the plan was to involve China in civil war and internal disorder, and thus make it impossible for the Government to participate in Europe. To this end the Tokio Government devised a plan to sell the Chinese Government arms and munitions and to finance the transaction. Light on Japan's diplomacy at that time is given by some correspondence of the Russian ambassador at Tokio to the Russian foreign office, published after the revolution in Russia:

DISPATCH FROM THE RUSSIAN AMBASSADOR AT TOKIO, DATED OCTOBER 16, 1917

> In reply to my question as to the credibility of the rumors alleging that Japan is prepared to sell to the Chinese Government a considerable quantity of arms and munitions, Viscount Motono confirmed them, and added that the Peking Government had promised not to use the arms against the Southerners. It was evident from the Minister's words, however, that this promise possessed only the value of a formal justification of this sale, infringing as the latter does the principle of non-intervention in the internal Chinese feuds, proclaimed by Japan herself, and that the Japanese Government was in this instance deliberately assisting the Tuan Chi-jui Cabinet in the hope of receiving from it in return substantial advantages. It is most likely that the Japanese are aiming principally at obtaining the privilege of rearming the entire Chinese army, and at making China dependent in the future on Japanese arsenals and the supply of munitions from Japan. The arms to be supplied to China are estimated at 30,000,000 yen. At the same time, Japan intends establishing an arsenal in China for the manufacture of war material.

We come now to an event of immense importance—the signing at Washington of a new agreement between the American and Japanese governments relating to China, known as the Lansing-Ishii Agreement. Although nothing was known at Washington, except to those of the inner diplomatic circle, that such an agreement was even being discussed, it evidently was known at other capitals. I produce here an official letter from the Russian ambassador at Tokio to the Russian foreign office (the italics are mine):

DESPATCH FROM THE RUSSIAN AMBASSADOR AT TOKIO, DATED OCTOBER 22, 1917

> Referring to Bakhmetyeff's [Russian Ambassador at Washington] N 598, if the United States thinks, as it appeared to our Ambassador [from conversation with Lansing], that the recognition of Japan's special position in China is of no practical consequence, such a view will inevitably lead in the future to serious misunderstandings between us and Japan. The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, *inter alia,* in the sense that other powers must not undertake in China any political steps without previously exchanging views with Japan on the subject—*a condition that would to some extent establish a Japanese control over the foreign affairs of China. On the other hand, the Japanese Government does not attach great importance to its recognition of the principle of the open door and the integrity of China, regarding it as merely a repetition of the assurances repeatedly given by it earlier to other powers and implying no new restrictions for the Japanese policy in China.* It is therefore quite possible that in some future time there may arise in this connection misunderstandings between the United States and Japan. The Minister for Foreign Affairs again confirmed to-day in conversation with me that in the negotiations by Viscount Ishii *the question at issue is not some special concession to Japan in these or other parts of China, but Japan's special position in China as a whole.*

A large volume could now be written with the Lansing-Ishii Agreement as a text; indeed, it is safe to say that many books will be written about it or about the issue it raises, and wars may be fought about it. This agreement has three sides: the side of the United States, the side of Japan, the side of China. The United States and Japan are parties to it; China is the subject of it, but not a party to it. It is easy to discover Japan's motives in the wording of the agreement. It is possible, even probable, that the motive of the American Government is not mentioned in it.

A glimpse of Japan's motive is given in a confidential letter of the Russian ambassador at Tokio to the Russian foreign office (the italics are mine):

DESPATCH FROM THE RUSSIAN AMBASSADOR AT TOKIO, DATED NOVEMBER 1, 1917

The Minister for Foreign Affairs asked me to call on him to-day, and communicated to me confidentially, but quite officially, the text of the notes transmitted in my telegram No. 2, which are to be exchanged at Washington on November 2 or 3 between the American State Secretary and Viscount Ishii. A similar communication was made to-day to the British Ambassador here. The French and Italian Ambassador will receive the text of the Notes in a day or two, privately, for their information. The publication of the Notes will probably take place on November 7; until then the Minister asks the Powers to keep his communications secret.

When handing me the above-mentioned text of the Notes, Viscount Motono added that he had only received it in final form yesterday by wire from Washington; and since Viscount Ishii was to leave [Washington] the night after next, the signature of the Notes could not have been postponed, in spite of the Japanese Government's desire to ascertain the views of the Russian Government on the subject prior to it. The Minister hoped that he would not be blamed for that at Petrograd—especially as the present agreement between America and Japan could not arouse any objection on our part. Viscount Motono mentioned that when concluding [gap in the original], one of the objects was to put an end to the German intrigue intended to sow discord between Japan and the United States, and to prove thereby to the Chinese that there was between the two powers a complete agreement of view with regard to China, who, therefore, must not reckon on the possibility of extracting any profit from playing off one against the other.

To my question whether he did not fear that in the future misunderstandings might arise from the different interpretations by Japan and the United States of the meaning of the terms: "special position" and "special interests" of Japan in China, Viscount Motono replied by saying that—[a gap in the original]. Nevertheless, I gain the impression from the words of the Minister that he is conscious of the possibility of misunderstandings also in the future, but is of the opinion that in such a case Japan would have better means at her disposal for carrying into effect her interpretation than the United States.

These confidential diplomatic communications were not published for months after the announcement of the Lansing-Ishii Agreement, and they show that even before that compact was announced by the American and Japanese governments its content had been officially communicated to at least one government in the Allied group—Russia. Were the other Allied powers also apprised of what was going on at Washington and Tokio? This constitutes a very extraordinary and in some phases an inexplicable incident. It was an impropriety for two nations in the Allied group to make an agreement which affected other nations in the same group without informing them. An article of the Anglo-Japanese alliance says, "The High Contracting Parties agree that neither of them will, without consulting the other, enter into a separate agreement with another power to the prejudice of the objects described in the preamble of this Agreement." Japan had violated that article in trying to force the twenty-one demands on China without informing Great Britain. The United States was not formally an ally of any nation, but its spokesmen had publicly condemned the practice of making secret and separate agreements about issues relating to the war while it was going on. Yet the United States was the first nation, after it became a belligerent, to evade the principle it had pronounced; for even if, as is probable, the other Allied powers were privately apprised of the Lansing-Ishii negotiations and their purposes, the Chinese Government was not informed or consulted. In publishing the agreement in the United States the state department gave a long statement in which some very interesting suggestions were thrown out. I quote from that statement ("The New York Times."):

> The importance and far-reaching character of this agreement are emphasized by a statement by Secretary Lansing pointing out the application of the pact to the great war. It not only sweeps away the mutual suspicion that has tended to produce ill-feeling between the two Governments, but embraces an understanding, made known through Secretary Lansing's statement accompanying the formal

documents, that the Japanese Government "desired to do their part in the suppression of Prussian militarism, and were eager to coöperate in every practical way to that end."

One of the questions asked since the arrival in this country of the special Japanese Mission headed by Viscount Ishii was why Japan had not taken a more active part in the war. The Japanese Commissioners have answered it in a way that is entirely satisfactory to the United States, and there now appears to be no doubt that if Japan is called on to furnish men and means to help in German defeat, she will respond readily.

The intimation is very plainly conveyed that to induce Japan to take a more effective part in prosecuting the war on the side of the Allies was among the objects of the Lansing-Ishii Agreement. That the relations of Japan to the Allies, or vis-à-vis Germany, were desiderata of the agreement was further intimated by the statement of the state department. The misunderstandings between the Japanese and American governments, so that official statement said, had been due to ''German propaganda,'' and it was stated that Viscount Ishii had laid before Secretary Lansing the evidence of efforts of the German Government to reach a separate understanding with Japan. As bearing on this point I insert a paragraph taken from a report of a secret agent in Russia of one of the Allied governments, dated October 18, 1917:

> I have reliable information that two Japanese officials who are attached to the Japanese Embassy at Petrograd have returned from a visit to the eastern front, where they went about one month ago. My informant, who is close in the confidence of the Russian revolutionary party, told me that these Japanese succeeded in having interviews with German officers at a town near the front. He says that the German officers were representatives of the German foreign office and were not military officers. The Russian revolutionary party believes that if Russia makes a separate peace Japan will make an alliance with Germany in order to protect her position in the far East and China. I understand that the Japanese Ambassador at Petrograd has sounded the Russian revolutionary government on this matter. These matters are to be considered in connection with the operations of the Japanese agents in Switzerland.

Having briefly sketched the international background of the agreement, it is now given in full:

Department of State,
Washington, Nov. 2, 1917.

Excellency: I have the honor to communicate herein my understanding of the agreement reached by us in our recent conversations touching the questions of mutual interest to our Governments relating to the Republic of China.

In order to silence mischievous reports that have from time to time been circulated, it is believed by us that a public announcement once more of the desires and intentions shared by our two Governments with regard to China is advisable.

The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in that part to which her possessions are contiguous.

The territorial sovereignty of China, nevertheless, remains unimpaired, and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that, while geographical position gives Japan such special interests, they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other powers.

The Governments of the United States and Japan deny that they have any purpose to infringe in any way the independence or territorial integrity of China, and they declare, furthermore, that they always adhere to the principle of the so-called "open door," or equal opportunity for commerce and industry in China.

Moreover, they mutually declare that they are opposed to the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China, or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

I shall be glad to have your Excellency confirm this understanding of the agreement reached by us.

Accept, Excellency, the renewed assurance of my highest consideration.

Robert Lansing.

His Excellency, Viscount Kikujiro Ishii, Ambassador Extraordinary and Plenipotentiary of Japan, on special mission.

The Special Mission of Japan,
WASHINGTON, Nov. 2, 1917.

Sir: I have the honor to acknowledge the receipt of your note of to-day, communicating to me your understanding of the agreement reached by us in our recent conversations touching the questions of mutual interest to our Governments relating to the Republic of China.

I am happy to be able to confirm to you, under authorization of my Government, the understanding in question set forth in the following terms:

[Here the Special Ambassador repeats the language of the agreement as given in Secretary Lansing's note.]

K. ISHII.

Ambassador Extraordinary and Plenipotentiary of Japan, on special mission.

Honorable Robert Lansing, Secretary of State.

This text of the exchange of notes constituting the agreement is taken from "The New York Times," and is the same as was published in newspapers throughout the world. If there are any reserved or secret clauses, which qualify or modify the agreement, no credible intimation of their existence has been given.

CHAPTER VII

CHINA AND THE WAR—*CONCLUDED*

The Lansing-Ishii Agreement—Its premature publication by Japan—Uneasiness caused by it—My letter to Mr. Lansing—Dangers of the incident—Might alienate both China and Japan—Had China been traded off?—Was the agreement a bribe to Japan?—Need to counteract first impressions—Japan violates the "gentlemen's agreement"—Agreement given publicity at Peking—Reasons for Japan's procedure—A difference of translations—What does "special interests" mean?—The American version—China repudiates the agreement—Cryptic character of the instrument—Its effects in the far East—Japanese propaganda and the agreement—Criticisms of a Chinese—The doctrine of territorial propinquity—Its dangers—What was the American Government's object?—Further analysis of the agreement—Its legal aspects—Which is the correct interpretation?—American interpretation probably the best—International psychology of the agreement—Possible motives of the United States—Putting world pressure on Japan—Japan's opportunity.

THE Lansing-Ishii Agreement was signed at Washington on November 2. The two governments had agreed that the notes were to be published simultaneously at Washington and Tokio at a stated hour on November 7. The Japanese Government, however, gave the agreement premature publicity.

Newspapers in the United States and Europe printed on the morning of November 6 a despatch from Peking stating that the Japanese legation there had informed the Chinese foreign office of the agreement, and gave a brief synopsis of it. The news was not prominently displayed by the American press, but I, being in New York at the time, happened to see the despatch, and immediately sent the following telegram:

ROBERT LANSING, State Department, Washington.

Publication at Peking and elsewhere that United States recognizes Japan's special position in China with interpretations given in Far East will cause great uneasiness and unless immediately explained will damage American prestige and influence in China seriously. If understanding as reported by Japanese legation at Peking is true China's position adversely affected and America's moral position with Chinese impaired. If not correctly stated I earnestly urge that you will telegraph true facts to American Minister at Peking authorize him publish and also that a correct version be given to press in America.

THOMAS F. MILLARD.

On that day, November 6, the state department gave out the text of the agreement, accompanied by a long statement, from which I have previously quoted. It also communicated with the American legation at Peking, and took other steps to counteract certain effects of Japan's premature publication. I had little information then about what was happening at Peking, but I was able to gage the situation from my general knowledge of conditions and what I could learn in New York and Washington. My opinion of the matter was expressed clearly in the following letter to Mr. Lansing:

NEW YORK CITY, November 12th, 1917.

HON. ROBERT LANSING, WASHINGTON, D. C.

DEAR SIR: A feeling of national responsibility, and of friendship for China, impels me to address you in regard to the agreement relating to China recently made by the American and Japanese governments. In the introduction to the statement given to the press, and also in your own remarks supplementing the text of the agreement, the state department plainly draws the implication that any who dissent from the presumed objects and purposes or the wisdom of this agreement are to be regarded as either conscious or unwitting agents of German propaganda; but that inference will not deter me from privately setting before you some matters that I regard as important, and which apply to the effects of the action that has been taken.

You doubtless will recognize that long residence in the far East and close contact with conditions there afford opportunities to get a point of view that is not always apparent in this country. To most persons who comprehend the delicate situation of China, this action in its first impressions is almost stupefying. Ever since the publication of the agreement and the accompanying explanation of the state department, I have been cudgeling my brain to discover a logical and reasonable explanation for it that is compatible with the honorable requirements of our nation in the circumstances. I visited Washington in an attempt to get some light, and while there I talked with some officials of the Department, and also with the Chinese minister. From them I gathered the following:

(a) The agreement is extremely distasteful to the Chinese and was made without consulting their wishes.

(b) The state department (according to the officials with whom I talked) does not intend by this agreement to recognize the "special position" of Japan in China except in the sense of geographical proximity; while by the reiteration of the guarantees of the "open door" and of the "integrity of China," the state department feels that our Government commits Japan unreservedly to a respect for and observation of these principles, and perhaps also commits the American Government affirmatively to give direct support to these principles in case they are violated or threatened.

However, most of us who understand actual conditions in China perceive ambiguities in this announcement, and in the text of the notes constituting the agreement, which, unless steps are taken to prevent it, may work out into a most delicate and dangerous situation, which involves both American interests and the national honor.

In regard to the recognition of Japan's special position in China, it may be that the state department has an interpretation of this phrase in mind which is very different from how Japan understands it, and from how it will be understood in China. I feel that I know how this part of the agreement will be understood in China. It will be interpreted largely in the light of the meaning which Japan's propaganda in that region has in the last two years been giving to it, and according to the practical application of Japan's policy in China as this is known there. In that light, Chinese will believe that the American Government has abandoned its traditional policy toward China, and has for reasons or compensations not appearing in the agreement consented to allow Japan a free hand in China.

Chinese feeling about this must be taken in conjunction with recent events, and the circumstances whereby China was first induced by the influence of America to sever diplomatic relations with Germany, and later to declare war on Germany. China was induced to take these steps by the assurances that by joining the allied consortium she would be protected in the peace terms. In taking this step China had no thought *of being protected against Germany,* for Chinese did not feel that their nation was in any present danger from Germany. China did feel, and still does feel, that she is in danger from Japan, and that by following the advice of America she would safeguard herself from invidious pressure from Japan, or from having her national autonomy and economic development subordinated to Japan's control. Our minister at Peking, myself as a publicist, and other Americans in China labored to impress the Chinese Government with the importance of falling in line with America, arguing that America is China's disinterested friend, and that our government could be depended on to help China through the crisis. The signing of this agreement, with the interpretations that at first will be given to it in China, places Americans in China in a very embarrassing position—a position from which only some action of our Government which will constructively aid China will extricate us.

Without doubt the immediate effects of this agreement are most unfortunate in respect to China, and to American prestige and American interests in China. The manner of first giving the agreement publicity, through the Japanese legation at Peking, also was of all methods the most likely to disseminate an impression injurious to American prestige. I have read carefully the agreement and the accompanying explanations in the hope of discovering in their phraseology something to indicate a purpose by our Government compatible with what we have led China to expect of us, but I cannot find it. Only two theories or interpretations of the agreement are possible—(a) that we have really consented to giving Japan a preferential position in respect to China that amounts to a recognition of a suzerainty over China, protecting only our commercial position there, or (b) that we limit our recognition of Japan's special position to the relation of geographical proximity.

If the first hypothesis is correct, then we have greatly offended China, and have forfeited the confidence of Chinese; in short, Chinese will consider that we have betrayed China.

If the second hypothesis is correct, then the agreement will not, as it professes, have improved the relations between America and Japan: for if it turns out that we do not intend to concede the interpretation of "special position" that undoubtedly is taken by Japanese, then the Japanese will regard us as having "buncoed" them, and will feel a greater resentment against us than formerly.

Thus it appears that this agreement may work out so that we will lose the good will and confidence of both the Chinese and the Japanese.

In your statement accompanying publication of the agreement, you especially emphasize certain alleged effects of "German propaganda" in China, and as it has affected the relations of Japan and America. I state my opinion (based on tolerably full knowledge of all the various propagandas operating in China and the East) that the full and free operation of German propaganda in China for five years could not turn Chinese sentiment against America and the Allied side as effectively as this agreement will, unless practical steps are taken without delay to demonstrate to Chinese our friendship, and that in making this agreement we have not intended to consign them to a fate which of all dangers they have been dreading as the most imminent. As methods that can be used to extend practical aid to China, I beg to refer you to my previous letter of October 23.

If it turns out that in making this agreement our Government *intended* to recognize, without consulting China's wishes, and to concede what in practice will amount to a suzerainty of Japan over China, then Chinese will regard America as having betrayed China and will be resentful accordingly. An intelligent Chinese said to me since the publication of this agreement: "For two years we have suspected that Russia and Great Britain had agreed to recognize Japan's paramountcy in China to secure Japan's aid in the war, but we did not know it. If they did that, they have kept it a secret. We never suspected that America would do such a thing. Now she has done it, and has announced it to the world. Chinese must presume that America in doing this has consulted with her principal allies. In these circumstances China must feel that she has been betrayed by her assumed friends." Unfortunately, I could find no reply to make to this indictment. It remains for the American government by its subsequent acts to confirm or refute it. Until it is refuted, American interests and prestige in China are subject to the application (as without doubt will be done) by competing interests of all the suspicion and odium that can be extracted from the situation as it stands.

The application of these circumstances in their relation to the general allied position is obvious. The reactions in Russia and in so-called "weaker nations" that are now wavering in the position of being forced to take one side or the other, can be foreseen; and the uses which German propaganda can make of this incident at this juncture, to sow suspicion of America's purposes and motives, and to point out seeming inconsistencies of our acts with our professions, are plain. These apparent inconsistencies need not be invented—they actually do exist in certain obvious aspects of this new agreement with Japan. One fears that our Government does not always understand clearly the psychology of these questions as it applies to different nations. It need not be assumed that in other nations and with other peoples the acts of our Government will be understood as it means them, or even that its acts always will work out as it thinks they will, or as intended. Events in relation to the war frequently demonstrate the grave errors which have been made by the allies in regard to the psychology of different peoples, and their effects upon the fortunes of the war. It is not improbable that, before this war is ended, the friendly sentiments of and the active aid of the Chinese may be needed.

With regard to the effect of this agreement upon American commercial interests and development in China, I can find little satisfaction. The reiteration of the guarantee of the "open door" is in itself satisfactory (although a supererogation, for this is assured by previous agreements which were not abrogated formally); but it is likely to be the reverse of assuring to American interests in China by reason of phrases of your statement, in which you express confidence in Japan's observance of the "open door." Are Americans and Chinese to infer from this that our Government regards the way in which Japan has observed the open door in China during the last ten years as being satisfactory? If this is a correct interpretation of your confidence in Japan's observation of the open door in China, then Americans in China will feel the reverse of confidence in the security of their position there; for they *know* how Japan's idea of the open door has worked in practice.

A theory of course is applicable to this agreement, that because of exigencies of the military situation in Europe it has been necessary to bribe Japan to remain with the allied side by conceding to her a free hand in China. This hypothesis would cynically repudiate the avowed principles of our Government in entering the war: but it might be defended on the "imperative necessity" theory of international affairs provided the facts would bear it out. In trying to find for myself a reasonable explanation of the Government's purposes in making this agreement, I have considered this hypothesis, but without finding in it a reasonable explanation. It of course presumes a treacherous intent of Japan, and a willingness on our part to adopt a practice which we so strongly condemn in Germany. Furthermore, it does not appear that Japan can at this juncture give much practical help to the allies in the war. The impracticability, for political reasons, of using Japanese troops on the Russian front, is obvious to any who understand the psychology of the Russians in relation to this question. The impracticability, for material reasons, of using Japanese troops and supplies on the western European front also is apparent, because of the difficulty of their transport and supply there in comparison with reinforcements sent from America.

If the *quid pro quo* of this agreement is only the supply by Japan of some ships for the Allied use, then I believe that this aid could have been procured by only giving Japan steel and cotton, and by other processes applicable to her.

I have not discussed these matters without a purpose. This purpose is that the Government may see the advisability of taking steps to counteract the first impressions given by this agreement, and to take measures to extend practical aid to China, and to stabilize conditions in the far East on the line of our national interests and our traditional policy.

With regards I remain

Yours truly,
THOMAS F. MILLARD.

When I wrote that letter I did not know about the revelation of the Japanese Government's interpretation of the Lansing-Ishii notes plainly given in the secret correspondence of the Russian ambassador at Tokio (see previous chapter), but I had no doubt in my own mind of what the Japanese interpretation would be. Neither did I know then that Japanese diplomacy had prematurely published the agreement to gain a point at the expense of the United States. To understand that phase of the matter we must turn to events at Peking.

By what usually is called a "gentleman's agreement" between Mr. Lansing and Viscount Ishii, their official notes were to be given publicity on November 7. This would give time for both governments to communicate the text of the notes to their representatives at Peking and other capitals and to instruct them accordingly. An extraordinary feature of this event is that neither the American legation at Peking nor the American embassy at Tokio was apprised of what was happening, nor was consulted in any way regarding the matter, but received the first information about the agreement from the Japanese legation at Peking and the Japanese foreign office at Tokio. Presumably the state department intended, between the day of signing the agreement and its date of publication, to inform and instruct the representatives at Tokio and Peking, but before it did that the Japanese Government anticipated it. The Japanese foreign office communicated the notes to the Allied diplomatic representatives in Tokio on November 1, the day before it was signed. The state department, on the other hand, kept so strictly to the "gentlemen's agreement" that it did not even inform its own representatives abroad.

On November 4 the Japanese legation at Peking officially notified the Chinese foreign office of the agreement and presented it with copies of the text in Chinese and Japanese. On the same day Baron Hayashi, the Japanese minister at Peking, called at the American legation and gave the American minister, Dr. Reinsch, a copy of the notes in English. There is no doubt that this procedure was deliberately calculated to impress the Chinese Government that the United States Government had to some extent conceded Japan's paramountcy in China, and therefore it was Japan's prerogative officially to notify both the Chinese foreign office and the American legation of this important matter.

A very significant point in connection with the communication of the agreement to the Wai Chiao-Pu by the Japanese minister at Peking is that both the Japanese and Chinese texts used certain characters (li-i) to translate the "special interests" of Japan that are recognized by the United States in the instrument. In the translation submitted to the Wai Chiao-Pu later by the American legation as the official text recognized by the American Government, different characters (kuan-hsi) were used to describe the "special interests" that were recognized. The characters mean almost the same thing, yet with a distinction. As translated by the Japanese version, "special interests" indicate vested interests or proprietorship, something tangible. In the American version, "special interests" means merely a close or strong general interest in the welfare of China, not a particular or vested proprietary or paramount interest. Having gotten the "jump" by prematurely giving publicity to the agreement, Japan was enabled by the extensive Japanese press propaganda in China to give out the Japanese version for publication in the Chinese press, and thus created a presumption regarding the meaning of the agreement that accords with Japan's interpretation of it. After the American interpretation had been given out, and published in the Chinese press, the Japanese legation made an effort to induce the American legation to accept the Japanese translation and amend the American version, but that was declined. Nevertheless, the inspired Chinese newspapers under Japanese control positively refuted the American version, and denied its authenticity, stating that the Japanese version was the correct one, as only Japan had the right to decide upon the meaning of the agreement.

A few hours after having been notified by Baron Hayashi of the agreement, the American legation received by telegraph from the state department the text in English, and at once made a correct translation into Chinese. (I say correct translation, because after the controversy about the two translations, many sinologues essayed their own translations, and without exception that I know of the American version was taken as more accurate.) When he had been informed by his own Government, the American minister sent the following letter to the Wai Chiao-Pu:

LEGATION OF THE
UNITED STATES OF AMERICA
Peking,
November 8, 1917.

No. 667.

Excellency:

Referring to my Note of to-day's date, enclosing the text of an exchange of Notes between the Secretary of State and Viscount Ishii, I have the honor to inform Your Excellency that I am instructed by my Government to communicate to you the following message:

"The visit of the Imperial Japanese Mission to the United States afforded an opportunity for free and friendly discussion of interests of the United States and Japan in the Orient by openly proclaiming that the policy of Japan as regards China is not one of aggression and by declaring that there is no intention to take advantage commercially or indirectly of the special relations to China created by geographical position. The representatives of Japan have cleared the diplomatic atmosphere of the suspicions which had been so carefully spread by German propaganda.

"The Governments of the United States and Japan again declare their adherence to the Open Door Policy and recommit themselves, as far as these two Governments are concerned, to the maintenance of equal opportunity for the full enjoyment by the subjects or citizens of any country in the commerce and industry of China. Japanese commercial and industrial enterprises in China manifestly have, on account of the geographical relation of the two countries, a certain advantage over similar enterprises on the part of the citizens or subjects of any other country.

"The Governments of the United States and Japan have taken advantage of a favorable opportunity to make an exchange of expressions with respect to their relations with China. This understanding is formally set forth in the Notes exchanged and now transmitted. The statements in the Notes require no explanation. They not only contain a reaffirmation of the Open Door Policy but introduce a principle of non-interference with the sovereignty and territorial integrity of China which, generally applied, is essential to perpetual international peace, as has been so clearly declared by President Wilson."

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(signed) PAUL S. REINSCH,
American Minister.

His Excellency,
Wang Ta-hsieh,
Minister for Foreign Affairs.

The Chinese Government was dumfounded, as well it might be, by the Lansing-Ishii Agreement, and especially by the fact that it had been concluded without previously informing or consulting the Chinese Government or any of its officials. The Chinese legation at Washington, where the negotiations between the American and Japanese governments were carried on, was easily accessible; but Dr. Wellington Koo, the Chinese minister, first learned of the agreement by the despatches from Peking to the American newspapers. This of course placed him in a very embarrassing position with his own Government because he had not informed it of what was contemplated. The Chinese Government also was humiliated that it should be ignored in the negotiation and in signing of an agreement which related exclusively to its territory and prerogatives. In a few days after publication of the agreement the Chinese Government issued the following statement concerning it:

DECLARATION OF THE CHINESE GOVERNMENT CONCERNING THE NOTES EXCHANGED BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND JAPAN DATED NOVEMBER 2, 1917.

The Government of the United States and the Government of Japan have recently, in order to silence mischievous reports, effected an exchange of notes at Washington concerning their desires and intentions with regard to China. Copies of the said notes have been communicated to the Chinese Government by the Japanese Minister at Peking; and the Chinese Government, in order to avoid misunderstanding, hastens to make the following declaration so as to make known the views of the Government.

The principle adopted by the Chinese Government towards the friendly nations has always been one of justice and equality; and consequently the rights enjoyed by the friendly nations derived from the treaties have been consistently respected, and so, even with the special relations between countries created by the fact of territorial contiguity, it is only in so far as they have already been provided for in her existing treaties. Hereafter the Chinese Government will still adhere to the principle hitherto adopted, and hereby it is again declared that the Chinese Government will not allow herself to be bound by any agreement entered into by other nations.

Chinese Legation, Washington.
November 12th, 1917.

The Chinese Government scarcely could have remained silent about the agreement, for silence might have been construed as tantamount to acquiescence with the Japanese interpretation. It took occasion to announce that the position of China as a sovereign state, and her treaty arrangements with other friendly nations, were not subject to revision or amendment by any outside nations without consulting China.

In explaining the agreement to the public and to the world, the Japanese propaganda in China was forehanded because it was advised officially and could discuss the matter with a purpose. The press in Japan, however, left more to their own devices, were a good deal puzzled by the notes. The editors were doubtful whether Japan had gained or had been worsted in the agreement. Read one way, the document was innocuous, and left the issues just where they had been before. Read another way, Japan had gained what she wanted. Read still another way, the United States had scored a point. Many Japanese editors argued that the reaffirmation of the open door and integrity of China should have been omitted. Some Japanese newspapers attacked the American minister at Peking because he issued an explanation. Publication of the notes in the United States was accompanied by an utterance of the state department, and also by private admonitions, plainly intimating to the press that criticism of the agreement would better be repressed, and to any writers who might disregard this injunction was conveyed the imputation of aiding German propaganda. Foreign diplomats at Peking were deeply interested, and accepted the incident as an obscure diplomatic finesse. As for myself, the comment in this book is the first that I have published on the Lansing-Ishii Agreement, although, as inclusions in this book show, I discussed it extensively in private memoranda and correspondence. As indicating how the agreement was regarded by Americans in China, I will give extracts from reports of an official who was in China then:

Dated Nov. 19, 1917.

Under date of Nov. 8 I cabled to the effect that the Lansing-Ishii agreement would without question result in immediate and marked increase of Japanese aggression against China, and such has been borne out most plainly as indicated by the events of the last few days.

. . . .

Unless checked, Japan's aggressive policy in the far East will bring war either with us or the British (or perhaps both) sooner or later, and it is with the object of doing all in our power to pre-

> vent this deplorable event that I suggest our using every effort to obtain publication of the truth.
>
> . . . .
>
> I am unaware what the situation was that necessitated or made desirable the signing of such an agreement, but if its purpose was to assist in bringing about harmonious relations between the governments of the United States and Japan, I can assuredly state that the ambiguous wording has had just the opposite effect, and the situation is intensified as far as ill feeling is concerned.
>
> . . . .
>
> A News Agency conducted by Japanese in Peking, presumed to be inspired by the Japanese Legation, issued a general notice to the Peking press on November 18 to the effect that the American interpretation of the Note was not correct, and that the meaning of the agreement was the recognition of "political superiority" of Japan in China—in other words, "suzerainty."
>
> . . . .
>
> I wish to emphasize most emphatically the point that the Lansing-Ishii agreement has but resulted in the pouring of oil on the fire and we should be prepared for the worst. Japan and the government and people of that country have lost their heads completely over the China situation, and their desire to consolidate their position here while the powers are occupied elsewhere is leading them along a dangerous path.
>
> Don't misunderstand me—I am not so lacking in common sense as not to realize that the signing of the agreement probably was forced upon the United States, but I feel it my duty to let you know what its effect here is now and what it probably will be.
>
> Japan now has thrown all restraint to the winds and is bent on a course of seeing just how far she can go, and where it is to end except in trouble I fail to see.
>
> . . . .
>
> The suggestion that Germany has been back of the ill feeling between Japan and the United States is about as weak and puerile an argument as has been put out in a long time, and although there may have been detached instances of such action, yet the backbone of ill-feeling has been due to Japan's lack of straightforwardness and nothing else. Japan has a bad case of guilty conscience . . .

Notwithstanding the explanations of the American Government and the disposition of Chinese to credit it with only honest intentions in signing the Lansing-Ishii Agreement, that event continued to cause serious misgivings in China. I quote from a letter that I received from a foreign resident in China, dated November 24, 1917:

> We are exceedingly anxious to get something more definite regarding the Lansing-Ishii agreement, for everybody out here seems to be entirely at sea about it. Instead of "clearing up misunderstandings," I am of the opinion that it muddles the question still more. Chinese feel that America has thrown them over. Dr. ————, editor of one of the leading missionary organs in China, and who is one of the closest foreign students of political movements in China, told me the other day that the Japanese propaganda press [Chinese papers controlled by Japan] circulated a report throughout China three weeks before the agreement became public at Peking, that Viscount Ishii had shaken his fist in the faces of Mr. Wilson and Mr. Lansing and had forced them to recognize Japan's paramountcy in China.

It need not be presumed because the report mentioned in that letter as being circulated in the Chinese language press is ridiculous to Americans that it is equally preposterous to the Chinese masses. Those people, like the masses in Russia and other countries, believe what they see, and information that jibes with what they know. The phrase "shook his fist" used in this connection probably was taken metaphorically in the sense of political intimidation. There is no doubt whatever that Chinese readily will believe that the United States was under intimidation from Japan in that matter, for this view coincides with much that is common knowledge in China and with a logical interpretation of the situation as it is comprehended there. Therefore the explanations of the American Government of its purpose in making the agreement, while it did lessen the resentment of Chinese and partly relieve their suspicions as to the motive of the United States, by no means allayed their fears. The view of the Russian ambassador at Tokio, as quoted previously, that Japan will interpret the agreement in one sense, and the American Government will interpret it in another sense, but that Japan, while realizing this diversity of interpretation, still expects to put her interpretation into practice and to make it prevail eventually as the accepted interpretation, coincided with the opinions of Chinese. The more intelligent Chinese were the most mystified by the agreement. I quote from a letter I received from a prominent Chinese who was educated in America, dated December 1, 1917:

> I cannot understand why, if the American and Japanese governments had only the common purpose of joining together to protect China's political autonomy and territorial integrity, based on their territorial propinquity to China, reference was not made to the Philippines, an American possession or dependency. As the agreement reads, it is only the special interests of Japan exclusively which are mentioned as being based on the principle of territorial propinquity, while the special interests of the United States on the same basis are not mentioned. This omission logically can be construed as intentional, and as indicating that the American Government meant to grant to Japan special interests in China that are paramount to American interests here and also are superior to the interests of other foreign nations.
>
> China theoretically is an independent and sovereign State. In such an agreement there would have been an equal diplomatic propriety if Japan also had recognized the special interests of the United States in Canada, although Canada is a part of the British Empire. Chinese feel that the signing of this agreement relating especially and solely to China, made by two other governments, and without previously informing or consulting the Chinese Government, constitutes the same kind of a diplomatic impropriety as if Japan and America would make an agreement about Canada and Australia without consulting or previously informing the British Government.
>
> As the parts of this agreement containing mutual guarantees of the integrity of China and of the commercial open door in China are also contained in several other agreements which were in existence, it therefore must be presumed that the real gist of this new agreement is the recognition of Japan's special interests in China. Thus thrown into relief, the words "special interests" become the only original departure of the agreement, and logically must be taken to indicate a meaning to concede to Japan some form of special position or relation to China politically which differs from and is in excess of the relations of China with nations under the existing treaties. As China denies that Japan has any especial position or

relation to her politically or commercially, any reasonable deduction from the use of this phrase in the agreement is offensive and alarming to China.

. . . .

The state of the world at this time causes wonder at the American Government's action in thus reviving the doctrine of territorial propinquity now. This doctrine, in the sense of political influence, logically was in process of being relegated as opposed to the newer and broader and more liberal principle of the right of nations to decide and determine without outside interference or coercion their own affairs. It moreover is apparent that the acceptance in this manner by the United States of this doctrine may become embarrassing before the issues of the great war are adjusted. Its cogent application to the situation of Germany and Austria in respect to Russia, Poland and the Balkan nations, is obvious. Its application to various other international juxtapositions that are affected by the war and which must be adjusted by the peace terms is equally apparent: viz., Japan's propinquity to Russia's far Eastern territory. This doctrine seems to make international rights and responsibilities, and proportions of international influence, dependent on relative propinquity. It is clear that this doctrine of territorial propinquity is susceptible of being made to support the most iniquitous ambitions and designs of nations.

I replied to that letter, in part, as follows:

These considerations lead to an analysis of the elements which will determine which of these diverse interpretations will prevail. In the last analysis, if there is a divergence of views between Japan and American about the meaning of this agreement, the view that will prevail will be the one which can array to support it the *preponderance of power.* There can be little doubt, taking probabilities into account, that the preponderance of power will rest with the United States, or will be susceptible to its influence rather than to the influence of Japan. However, in this connection it must be remembered that power, as applied in such a case, does not depend solely on a control over material elements, but also depends on the *will* and *resolution* to use those elements so as to affect international affairs. At this time I know that many Chinese incline to believe that America is fundamentally more powerful than Japan; but even Chinese who hold that opinion are very doubtful that the American Government will exert its power upon the situation of China as opposed to Japan. I realize that China is confronted with a condition, not a theory.

A scrutiny of the Lansing-Ishii agreement indicates that the American Government has laid in the phraseology of the notes a better case for supporting what is now presumed to be the American interpretation of the notes. If one presumes that after the war an International Court is established, and that questions like this will be submitted to that court for adjudication, and that by a League of Nations the decisions of such a court can be enforced, it is an interesting speculation to consider the legal aspects of this agreement.

A principle of contract applicable to this Agreement is the rule that parts and articles of a contract are to be construed to harmonize with the whole intent and object of the instrument. Any other method of construing a contract disrupts the contract by injecting an element of dissent in motive and purpose, while the legal presumption is that the purposes and motives of the contracting parties were to *agree* in all the matters dealt with in the contract. To put one clause in a contract which negatives another clause of it of course is destructive of the very essence of a contract, and consequently clauses and articles of a contract which may seem, when afterward applied, to diverge in some ways from other equally important clauses or articles, usually will be construed by courts with a view to making their meanings harmonize, instead of construing them as dissonant.

By applying this principle of contract to those clauses of the Lansing-Ishii agreement which, first, recognize the "special interests" of Japan in China based on territorial propinquity, and, second, which positively and affirmatively commit both nations to a full recognition and support of China's territorial integrity and of the commercial open door in China, then the "special interests" clause would logically be construed to harmonize with the subsequent articles. A different construction would invalidate the whole contract, for then the articles assuring and guaranteeing the integrity of China and the open door would be antagonistic to the "special interests" clause. On the other hand, by construing the "special interests" clause as not giving Japan any political or economic priority in China, the "special interests" clause harmonizes with all the succeeding articles.

Courts often take into consideration, when construing contracts, moral aspects of the matters which are in dispute. A construction of a contract which in practice works out into an offense to morals frequently is enough to invalidate that construction. There hardly can be any doubt that a construction of the Lansing-Ishii agreement which allows Japan, under the "special interests" clause, to negative the clauses which guarantee the integrity of China and the open door, would be a violation of international morals. Such a construction reduces the agreement to the status of a piece of diplomatic trickery, which intended to do exactly what it professed not to do, or which professed objects which the contracting parties did not wish nor intend to carry out; in short, such a contract connives at fraud, and has no standing in a court of justice.

The only decent construction that can be placed on the American Government's interpretation of the Lansing-Ishii agreement is that it regards the "special interests" clause as being in harmony with the subsequent articles. Therefore it can be presumed that the American Government has in view a policy and means that will make it feasible to sustain that theory of the agreement.

It is a fair presumption that the Japanese Government, at the time this agreement was made, understood the probable legal construction that a court will give the instrument, favoring the American interpretation. Since it is probable that Japan will try to give a practical, and later a theoretical construction to the agreement that is contrary to the American theory, it follows that Japan expects that practical considerations will supersede and overrule the American interpretation, which will lapse into the position of an academic contention without material substance, which time will obliterate. This perhaps is what the high Japanese official at Tokio meant by stating (as alleged) to the Russian ambassador that Japan has better means of insisting on her interpretation of the agreement. Or it may be that Japanese statesmen believe that, after the war, the American Government will lack the will and the resolution to take a firm stand on this question, which would leave the way open for Japan by a process of steady pressure to make her interpretation practically in effect.

It of course is true that this agreement has not the binding effect of a Treaty, for on the part of the American Government it has not been ratified by the Senate. It is of the nature of a "gentleman's agreement," which can be changed or discarded on due notice. It is apparent that both the contracting Governments regard it as of the character of a diplomatic expedient.

. . . .

Reason rejects a theory that the American Government would enter into such an agreement as this, which undoubtedly will for some time embarrass and hinder American business interests in China, and American popularity and prestige there, merely for some temporary expediency of Japanese-American relations, or (as some have it) of sustaining the present Japanese Government in power.

To attempt to solve the question of Japanese in America by trading off American interests in China (and at the same time trading off China's interests too) is as immoral as it is futile; for the question of Asiatic immigration to the United States and the fate of China vis-à-vis Japan are entirely different propositions. One therefore is driven to search for another theory for the motive of the American Government. (Japan's motive is perfectly obvious.) Such a motive might be found in a device to apply to Japan a pressure of world psychology upon her policy in China. The American Government may calculate that, after thus getting Japan's positive reaffirmation of the integrity of China and the commercial open door and giving public attention a focus on far Eastern events in relation to the war, if Japan hereafter takes a course which in practice negatives the principles of these commitments as Americans and other western peoples will understand them, then Japan without doubt will acquire the distrust of western civilization. This will be a gradual process induced by Japan's own acts—just as Japan's course during the war, and its complete selfishness, has in time begun to sink into popular consciousness in Europe and America. By this device, therefore, it is "put up" to Japan, by her own acts, to restore herself in western good opinion, or to make herself wholly distrusted.

If by the time the peace conference is assembled, Japan has by her acts made herself even more offensive to China and to other nations than she is now (a probable contingency), then it will be easier for the American Government and other powers that wish to preserve the rights and the integrity of China to put a pressure on Japan that will be backed by an accumulative world psychology opposed to Japan's adaptation of Prussianism. On the other hand, if Japan really "plays the game" in China, and also gives help in the war that requires some sacrifices and that is not patently animated by self-interest, a genuine betterment of the Eastern situation, and of China, will be worked out.

It is apparent that, by a combination of Great Britain and the United States (and the moral assent of other nations in the Allies' group), an economic pressure can at any time now be applied to Japan that will put great compulsion on her. Japan's modern industrialism and even her naval and military power depend on three major elements—iron, steel and cotton. Japan depends on China for iron principally, and also for a little raw cotton. America is the only place in the world now where steel can be obtained in quantity. Great Britain (India and Egypt) and the United States practically control the world's production of raw cotton. Furthermore, America is the principal market for many of Japan's products. The next best market is China. Thus it is possible to draw an economic ring about Japan, during the war, and after the war in case she offends the moral and political ideals of the leading western powers. As off-setting that thesis (which is understood by Japanese statesmen, no doubt), Japan may expect by her propaganda in Asia to establish herself in a firm leadership of a Pan-Asian doctrine; and to be able to hold her own, or preserve a balance with the West, by trading with Germany after the war in both the political and economic meanings.

More than one year has passed since I wrote that brief analysis of the Lansing-Ishii Agreement as it probably was conceived by the American Government, and I have almost nothing to change in it or add to it now. The American Government, acting under what pressure from its co-belligerents I do not know, was willing to go that far to placate Japan temporarily, even at the cost of a temporary loss of prestige and confidence in China. The immediate practical effect of the agreement was that it gave Japan comparatively a free hand in China for the remainder of the war or until its crisis had passed. What did Japan do with her opportunity?

CHAPTER VIII

THE CORRUPTION OF A NATION

Increase of Japan's influence in China—The revised Japanese policy—Its motives and methods—China's wish to participate in the war—How it was defeated—American loan refused—Effects of this refusal—Corruption of Chinese officials—Getting control of the Government—The War Participation Board—The military agreement—Advent of Nishihara—The orgy of loans—Japan's two-faced policy—Attitude of other powers—The rake's progress—Sowing seeds of internal dissension—Japan in Shantung—Establishment of civil administration there—Protests of the Chinese inhabitants—The question analysed—Japan's objects revealed—Forced sale of Chinese lands—Fraudulent seizure of mines—Survey of Japanese "penetration" of Tsinan-fu—Brothels and drug-shops—Where the money came from—Refastening the opium trade on China—Japan's illicit trade in morphia—How the trade is conducted—Explanations of the Japanese Government—Exploiting the Chinese bandits.

AN immediate effect of the Lansing-Ishii Agreement in China, where its beneficial purposes were presumed to apply solely, was to raise Japanese influence at Peking to an unprecedented degree. The strongest man in the existing Government, Tuan Chi-jui, premier and leader of the military party, already was obligated financially to Japanese banks for help in regaining his position. There had for some time been a pro-Japan group in Chinese politics composed partly of men who honestly believed that China's best policy was to follow Japan, and partly of men who had taken that side for financial inducements. When the Lansing-Ishii notes were published, the pro-Japan element in Chinese official circles went about saying: "I told you so. We always said that no dependence could be placed in America." After China had planned active participation in the war on the expectation of a loan from the American Government, and that loan was refused, the pro-Japan group again scored heavily.

The Government's position was precarious, and it needed money constantly to pay its troops and to hold the Tuchuns, or military governors of the provinces, in line. There are reasons to believe that up to that time Tuan Chi-jui had been loyal to China, and had hoped to work out a solution without having to accept important assistance from Japan. But after the publication of the Lansing-Ishii Agreement his attitude changed, and he became completely entangled in the Japanese mesh. Among Tuan's close supporters and followers were a number of Chinese of exceeding cleverness in politics, but, as events proved,. of no moral stamina, and they became ready instruments and accessories of Japan's corruption policy.

Japan's revised China policy (1917–18) can be summarized as follows:

(a) To prevent China from taking any creditable part in the war.

(b) To get control of China's military organization.

(c) To control China's representation at the peace conference.

(d) To get control of China's natural resources, which are essential to modern economic and military strength.

(e) To control all future development of China's transportation systems.

(f) To take advantage of the preoccupation of Western nations in the war further to undermine their economic status in China.

It may be remarked that only in the first three articles of this summary does Japan's policy show any change, for the objects designated (d), (e), and (f) had animated it for years previously. But China's entrance into the war had created new conditions which might qualify or undo much that Japan had accomplished toward attaining her major objectives. The revision of Japanese policy was therefore not a revision as to objectives and purposes, but only a revision of methods to meet the new conditions. The motives and reasons of the Japanese Government in this period can be explained briefly.

Although nominally an Allied belligerent since early in the war, Japan's course had been so purely selfish that the other Allied powers were feeling disgruntled at and distrustful of her, a sentiment that might seriously compromise Japan's position at the peace conference if the Allies won the war. If China would now give substantial help to the Allies (even when a neutral China had helped by sending laborers to Europe), Japan's attitude would be thrown into strong and unfavorable contrast. A military participation by China in Europe would have important internal and external effects upon China's situation. It would place nations in Europe under a sympathetic obligation to China, and it would extend the horizon of the Chinese people and widen their friendly contacts. At home it would tend to lessen internal friction by arousing a spirit of national unity and purpose. United and orderly at home, and having made a respectable contribution toward winning the war, China's favorable position at the peace conference would be assured.

On the other hand, if China failed to give any assistance in the war, if she fell into serious internal disorder, if she failed to suppress German propaganda and economic activities in her territories, if she continued academically pro-German in sentiment, if she continued to demonstrate her inability to conduct her own affairs or to meet her foreign obligations, then her position at the peace conference would be precarious, and the nation would have qualified for a place among those that require a strong neighbor to oversee and manage them.

From China's declaration of war to the present, Japan's policy has been to keep China alienated from and suspicious of the western powers in the Allied consortium, so as to drive a wedge between China and the important western nations and isolate China. Then, with a group of private agreements made with the leading powers, giving to Japan a special position in respect to China, Japanese diplomats could argue to the Chinese Government that China's only hope at the peace conference was to entrust her interests to Japan, and to delegate to Japan the right to represent China there.

The Japanese method was comparatively simple. For years China has been thoroughly studied by hundreds of special agents of the Japanese Government who have gathered and classified complete data showing the personnel and characteristics of all Chinese officials, military men, and political possibilities; the resources of the country, both natural and improved; the private and public debts of every official, military commandant, province, city, and industrial enterprise; the revenues of all officials, generals, provinces, cities, and industrial enterprises. The plan would be to select an official or general who needed or wanted money—and nearly all of them did—then propose to make a loan to him or his province or city, with some local industrial plant or revenues or undeveloped resources as security, or for a concession or monopoly of possible future value. Sometimes a so-called Sino-Japanese corporation would be formed to construct and operate an enterprise or utility, and positions and shares would be judiciously distributed among Chinese officials and their friends. The conditions of most of these loans were such that Chinese officials could deflect all or a large part of the residue of the funds to their private uses and to pay their satellites. Of Japanese loans in China during this period there were few instances when the money was applied to the purposes for which it nominally was borrowed. Usually only a part of the loan would be advanced, and the advance rarely would be used for the purpose designated. Whatever Japan wanted in China or that was worth tying up, the Japanese set out to get by this indirect process of bribery. When, as frequently happened, a Chinese official could not be handled by this method, then Japan's agents were put to work to stir up trouble for him, and he soon felt the pressure from all sides of Japan's organized influence; while Chinese who were amenable to Japan's projects and suggestions were supported by that influence, and also given opportunities to make money easily. There are people in every country who can be corrupted into downright treason, even men in high official positions, and the percentage of Chinese who are thus susceptible is no greater than elsewhere. In most of these instances there was nothing in the proposals on their face to stamp them as invidious to China; indeed, for some time after the Lansing-Ishii notes were published a great many intelligent Chinese believed that the western Allied powers had thrown China over, that her only hope was to make the best possible terms with Japan, and that further to resist Japan's penetration of their country was futile. Also, as time passed it became increasingly evident that Japan's opposition constituted a powerful bar to political advancement for any Chinese.

With this outline of Japan's motives and methods, I will narrate some outstanding events and conditions that demonstrate the practical working of the policy. While in every province and district of China, Japan, through her consuls, agents, propaganda press, commercial and financial organizations, played a distinct and often a separate game as dictated by expediency, her principal effort was directed to gain control of the Peking Government. Control of the purse and the army of any nation means control of all its functions ultimately, and Japan first set to work to make her influence decisive in the ministries of war, finance, and communications. Tuan Chi-jui, the premier, also was minister of war. The character of the ministry of finance is clearly indicated by its name. In China the ministry of communications directs the railways and other public utilities, giving it control of transportation and also of considerable revenues. Virtually all of the revenues of the central Government pass through the ministries of finance and communications.

Had the American Government given financial support to the plan for Chinese military participation in Europe, which was carefully worked out by a French military expert who went to Peking for the purpose, the course of events in China during this period could have been changed. But when the American Government did not support the plan, it fell flat. A suggestion that Japan might finance China for that purpose was advanced, but of course it had not the slightest chance of success. Japan had no difficulty in finding millions to play her own game in the far East, but had no money for genuine war activities.

I will not trace here the machinations of Chinese politics whereby men under Japan's influence gained control of the ministries of finance and communications in the Peking Government. Suffice that Chinese who became tools of Japan did get those positions, or the men who held them gradually were swung to fall in with Japan's plans. The first flower of this combination was the War Participation Board. This board was ostensibly organized to manage China's participation in the war; in fact, it was organized to prevent any effective participation of China in the war and did prevent it. Tuan Chi-jui was head of the board, and it was composed of his henchmen. This board became notorious because of its acts in trying to commit China's military organization and policy into Japan's hands. General Chin Ying-Pang and General Hsu Cheng, both lieutenants of the premier, were co-directors of the board. From its inception the board was completely under Japanese control. General Saito of the Japanese Army, a military attaché of the Japanese legation at Peking, had an office in the War Participation Board and advised it on all questions.

The principal act of the War Participation Board was to negotiate and sign the so-called "military agreement" between Japan and China in the spring of 1918. During the time when this agreement was being negotiated, and even after it had been signed, the Japanese Government and the

War Participation Board denied that it was contemplated. Opposition in China, based on rumors, became so strong that the negotiations were transferred to Tokio. General Chin went to Tokio and signed the agreement there, and was decorated by the Japanese Government.

The circumstances of signing this agreement are most extraordinary. At first it was kept a close secret, and the Japanese legation at Peking denied officially that it had any knowledge of the matter. When the rumors persisted, and a few facts about the proposal leaked out, the Chinese foreign office demanded that it be informed of what was going on. The War Participation Board then consented to admit a representative of the Foreign Office to the discussions, and when opposition developed from that quarter, the negotiations were secretly and suddenly transferred to Tokio. After the agreement was signed, both the Japanese and Chinese governments for some time denied its existence; and to this day, unless it was privately revealed at Paris, *no authentic copy of the treaty has been communicated to the other Allied governments.* Here were two nations in the Allied group, while the war was at a critical stage, making a secret military agreement relating to the conduct of the war. When officially questioned, the Japanese Government finally admitted that such an agreement had been signed, and stated that it was for the purpose of mutual coöperation of China and Japan in the East solely. The Chinese Government, through the Foreign Office, could only state to inquiries of other nations that it believed that some kind of agreement was signed, but that it was without complete knowledge of its scope and meaning. The military agreement never was ratified by the Chinese cabinet, nor the Council; and it was protested and repudiated by the southern parliament. The real purpose of this agreement, as was demonstrated subsequently in Siberia and Manchuria, was to tie China to Japan, and make it impossible for her to act in the war without first consulting Japan, and under Japan's dictation. The *quid pro quo* to the Chinese officials who signed the agreement was, of course, money: loans supposed to be used to equip for participation in the war, but which really were used to finance Premier Tuan's fight to keep the Chinese military party in power.

One act of the War Participation Board that very well illustrates its character was with reference to the German and Austrian ships that had been interned in Chinese waters since the beginning of the war. When China declared war, the Allied governments wanted to obtain these ships for transport work, for ships were badly needed. It was proposed to charter them from China after China had taken possession. In due course the Chinese navy department took the ships over. A Sino-Japanese company was formed, composed of Japanese and certain Chinese officials in the War Participation Board and the ministry of communications, to purchase these ships and then charter them. A Japanese bank was to finance this deal, and the necessary repairs were to be done in Japan. The plan was to sell the ships to this company at a very low price, and a large profit would be made in repairing and chartering or reselling them. This plan was blocked by a vigorous protest of the British Government, which represented that war needs of the Allies should be first considered; but by a trick in which the charters were based on dead weight instead of registered tonnage, a bit of sharp practice was made to yield an illegitimate profit to schemers in the War Participation Board.

When the way had been paved by firmly planting Japanese influence in the Peking Government, Japan's plan developed another phase. In the spring of 1918 Nishihara Kamezo, a Japanese financial and diplomatic agent, came to Peking. Mr. Nishihara is a director of the Bank of Chosen (Korea), one of the group of banks closely connected with the Japanese Government. He had not previously been prominent in Japanese finance, but it soon developed that he had powerful financial and official backing. The activities of Nishihara in China soon created a scandal of such proportions that it created uneasiness even in Japan. How it was viewed in China is indicated by some editorial comment of "Millard's Review" (written by Prof. J. B. Powell) in the issue of July 20, 1918:

> Baron Hayashi is Japan's official representative in Peking whilst Mr. Nishihara, the secret agent of the Japanese Prime Minister, is her unofficial representative. Recent events indicate that the latter has done more for his own country and people and is commanding greater influence. Much of his work in China, which has necessarily to be *sub rosa,* is said to be unknown to Baron Hayashi, the Japanese Minister to Peking, and many a Chinese journalist is better informed of it than the Baron. It has happened a number of times that Baron Hayashi would issue an official denial of certain Chinese-Japanese negotiations which later turned out to be true. It seems Nishihara had undertaken them without Baron Hayashi's knowledge. It is bruited about Peking that the Japanese Minister has repeatedly protested to Tokio against this unprecedented practice—all in vain. This is quite within expectations. Nishihara is the confidential secret agent of the present Japanese Prime Minister, who is greatly interested in the Chosen Bank and the Taiwan Bank. He was purposely sent to China to secure concessions and make loans in opposition to the Yokohama Specie Bank, which is understood to have been receiving the support of Baron Hayashi and other Japanese officials, except Count Terauchi. This situation results in the adoption of conflicting financial policies by Japan in China. Count Terauchi and Mr. Nishihara, representing the Chosen Bank and the Taiwan Bank, are dealing with the Chinese Government in all money matters through Mr. Tsao Ju-lin, Minister of Finance, and Mr. Lu Chung-yu, Director of the Chinese-Japanese Exchange Bank, whilst other high Japanese officials advocate that all the Japanese financiers should transact business with men like Mr. Liang Shih-yi, who is more substantial and who they believe can command greater influence in official circles, and that the Yokohama Specie Bank should represent the Japanese in such transactions. In consequence, the Chosen Bank and the Taiwan Bank are obtaining all the business they desire from China, with the Yokohama Specie Bank being left out in the cold. The explanation for this state of affairs is simple enough. Messrs. Tsao and Lu are in

> a position to conclude loans as they are closely connected with the Government, and in the meantime Mr. Liang is not.

And on July 27, 1918, Prof. Powell wrote further in "Millard's Review":

> Between January 1, 1909, and June 30, 1918, Japanese bankers have advanced to China Yen 178,770,000 and, in addition, three other loans to the amount of Yen 106,000,000 have practically been agreed upon, and probably will be signed before the end of July. Of the Yen 178,770,000 already advanced, Yen 164,100,000 has been advanced since May 1, 1915, showing that Japanese activity in the Chinese field really did not begin until eight months after the opening of hostilities in Europe. Outside of a comparatively small part of the Yen 164,100,000 which was used for purposes of flood relief and to combat the plague last winter, most of the money has been used in internal warfare in China. About twelve million Yen has been advanced to the Southern Chinese provinces, presumably for military use on the Southern side, and the rest has been used by the Northern or Peking Government for similar purposes. To pay for these loans China has mortgaged railway lines, gold, coal, antimony and iron mines. She has mortgaged the Government printing office at Peking, the Hankow electric light and waterworks, and native forests in various parts of the country. There is a clause in each of these loan agreements to the effect that the Chinese authorities shall not obtain additional funds upon these securities unless the consent of the Japanese bankers first has been obtained. As to the expenditure of this money, so far as is known the Japanese bankers have placed no restrictions whatever upon the uses to which the money was to be put. For example, the Chinese authorities make a loan agreement with the Japanese bankers to extend a railroad, develop a coal or iron mine, or to construct telegraph lines. After the money has been obtained and the bankers and negotiators receive their commissions, the rest of the loan is apportioned out among various military governors who use it to pay their soldiers and keep them loyal.
>
> In the past, loans to China which have been made through the Consortium of foreign banks have been made for administrative purposes only, on condition that the expenditure of the loans shall be supervised and that the security shall be under control. To use the words of Mr. David Frazer, Peking Correspondent of the "London Times" and "North China Daily News": "This policy has been

adopted by the powers interested with the definite object of saving China from herself, in short with the object of ensuring that money lent shall be properly spent, and security created by means of which China shall have no difficulty in repaying principal and interest." Since Japan is a member of the Consortium, the question naturally arises: How can Japan, who is committed by an agreement with the powers covering financial advances to China, make these present loans without following out the understanding regarding restrictions upon the expenditure of the money by China? The answer to this question is also given by Mr. Frazer to the effect that the new loans are made through another group of Japanese bankers who are not bound by the Consortium agreement. His statement follows·

The mystery is partly explained by a paragraph in a recent Japanese newspaper. The Industrial Bank of Japan, a component part of the so-called Korean Group of which Mr. Nishihara is the impresario, is announced as placing Yen 50,000,000 of new debentures upon the market. The paragraph says that part of this money has already been advanced to China as an instalment of the Kirin-Hueining Railway Agreement Loan, and that the remainder of the loan will come out of the money to be provided by the new debentures. It is also stated that the balance of the debenture proceeds will be lent to China, and that the Industrial Bank eventually intends to finance China up to Yen 100,000,000. This is pretty bad news for China, if the Industrial Bank is to continue to lend to the Chinese Government upon conditions that admit of heavy advances for military expenditure. The most interesting feature of this debenture flotation in Japan, however, is the fact that the Japanese Government is behind it and has given "a promise, made legal by legislation in the last session of the Diet, to guarantee the payment of principal and interest of this and later loans by the bank." At any rate, the "Japan Advertiser," from which I quote, is of the opinion that the new debentures are practically public bonds, and states that the Government Post Offices are being used to assist in the flotation. From the paragraph in question, which appeared in the "Japan Advertiser" of June 30, it seems plain that the Japanese Government is making itself responsible for the repayment of money being borrowed to finance specified and unspecified transactions in China. Mr. Nishihara, representing the Korean Group, of which the Industrial Bank of Japan is a principal, is under no restrictions, and can lend money to China upon any terms acceptable to the group he represents. When the Korean Group lends money to China unconditionally the assumption is that the Japanese Government disapproves of the transaction and would stop it if they could, as the British

Government tried to stop the Crisp Loan. Now the Kirin-Hueining Railway Loan Agreement provides for Yen 10,000,000 to be paid over to China without any conditions, to be spent exactly as the Chinese like. Such a transaction is positively subversive of the policy of the powers behind the Consortium, of which Japan is one. Therefore the Kirin-Hueining Loan agreement, in so far as the advance of Yen 10,000,000 is concerned, is opposed to the declared policy of the Japanese Government, and presumably is disapproved of by that Government.

Yet we find the Japanese Government guaranteeing the Industrial Bank's debenture issue, the proceeds of which are to be used, it is specifically stated, to make the advance of Yen 10,000,000 against the Kirin agreement. In other words, the Japanese Government is pursuing one policy with the right hand, in agreement with the associated powers, and with the left hand is helping the Industrial Bank to raise money to make loans to China on conditions subversive of the official policy, and in violation of Japan's own understanding with the powers. This is what is called in polite English, "hunting with the hounds and running with the hare." It is no secret that the Japanese Government warmly supports Mr. Nishihara in many transactions that would never be countenanced by any of the other Governments because they are incompatible with their engagement to pursue a particular financial policy. But Japan gaily and quite openly does what other powers will not do.

Here was revealed one phase of Japan's policy quite clearly. Officially, the Japanese Government was inhibited from pursuing an independent financial course in China, for it and its fiscal agent, the Yokohama Specie Bank, were parties to the international banking group which were signatories, with the approval of the governments, of the reorganization loan agreement. So that obstacle was evaded by conducting these negotiations through different Japanese banks, and presumably without the official knowledge or countenance of the Japanese foreign office. However, few in China or Japan were deceived by this subterfuge. In its issue of August 3, 1918, the ''Herald of Asia'' (Tokio), a Japanese-owned and -edited newspaper, said:

> The loan activities of Nishihara Kamezo we are informed, have come, or will shortly come, to an end. We are not sorry to hear

it. It is too early to venture an impartial assessment of the services and disservices rendered by this mysterious personage during his meteoric career of a year and a half. He has shown a remarkable resourcefulness in engineering financial deals of no inconsiderable magnitude. Whatever may happen to the parties on whom he has heaped obligations or claims, he emerges a successful man, with a reputation newly made. He is reported to be a disinterested man in money matters, so he may not have made a fortune out of the large transactions he has taken part in. Fifteen months ago nobody knew him, except a small circle of acquaintances in Chosen. Now he is one of the best known Japanese in the far East. That is probably what he was after, and well may he rest contented with his success. Whatever advantages Mr. Nishihara may have derived personally from his activities in Peking, it may be doubted if this country has been benefited more than it has been injured. His negotiations have made so much noise that the outside public has got the impression that he has secured a large number of very important concessions, whereas as a matter of fact very little material advantages will accrue to Japan from the loans arranged through him. . . . Then again the spectacle of a private Japanese agent known to be closely connected with a section of the Tokio Cabinet negotiating with the Chinese Government behind the back of our accredited representative and against his wishes, has not tended to enhance either the prestige or credit of the Empire in the eyes of the world. If the Cabinet should happen, by some unforeseen luck, to drag on its existence until the winter, it will have a lot to explain to the Diet on this subject.

No complete and authentic list of Japanese loans in China is available for publication. Many of these transactions, especially during the war, have been kept as secret as could be, and even when disclosed inadvertently, it often happens that they will still be denied by those officials who made them. I have a list, however, which represents what the combined efforts of American and other foreign commercial attachés and agents in China have been able to compile of loans which Japanese banks and large commercial firms have made to China and which are now outstanding. The list follows:

LIST OF CHINA'S LOANS MADE BY JAPANESE

From January 1, 1909, to October 25, 1918

No.		Yen
1.	1909; From Yokohama Specie Bank to Imperial Railway Administration representing part payment of that part of the Hsinmintun-Mukden Railway lying east of the Liao River For 18 years at 5%, issue price 93; secured by revenues of road.	320,000
2.	1909; From Yokohama Specie Bank to Imperial Railway Administration for construction of Kirin-Changchun Railway For 25 years at 5%, issue price 93; secured by revenues of road.	2,150,000
3.	1910; Yokohama Specie Bank to Imperial Railway Administration for redemption of Peking-Hankow Railway For 10 years at 7%, issue price 97.50	2,200,000
4.	1911; Yokohama Specie Bank to Imperial Railway Administration for same as above and for running expenses pending redemption For 25 years at 5%, issue price 95	10,000,000
5.	1912; Mitsui Bussan Kaisha to Hankow Waterworks & Electric Light Co., for construction purposes Repayable in ten annual instalments, Int. 7%. Guaranteed by Ministry of Communications.	1,000,000
6.	? ; To Provincial Bank of Hunan and Hupeh, on security of Hsiang Pi Shan Iron Mines (unconfirmed, but reported by good authority)	2,000,000

Pre-War......Yen 17,670,000

LOANS TO HANYEHPING COAL AND IRON COMPANY

7.	1903; Industrial Bank of Japan, 30 years at 6%	3,000,000
8.	1906; Mitsui Mining Co. Semi-annual repayments, 7½%	1,000,000
9.	1906; Okura & Company, 7 years at 7½%	2,000,000
10.	1908; Yokohama Specie Bank, 10 years at 7½%	1,500,000

No.		Yen
11.	1908; Yokohama Specie Bank, 10 years at 7½%	500,000
12.	1909; Yokohama Specie Bank, 10 years at 7½%	6,000,000
13.	1910; Mitsui Mining Company, 2 years at 7%	1,000,000
14.	1912; Mitsui Mining Company, 2 years at 7%	2,000,000
15.	1913; Yokohama Specie Bank, 40 years at 7% to 7th year thereafter 6%	15,000,000
	Han Yeh Ping....Yen	32,000,000
	Total....Yen	49,670,000
16.	1915; Yokohama Specie Bank to Ministry of Communications for construction Supinkai-Chengchiatun Railway	5,000,000
17.	May 1915 Okura Co. Advance, $1,000,000 Security Feng Huang Shan Iron Mines.	1,000,000
18.	May 1, 1915 Asiatic Development Co. Loan to Central Government for general purposes For 3 years at 6%, issue price 94; secured by uncertain mining concessions in Hunan and Anhui and by profits of brass cash smelting scheme. (This loan was advanced, but the security was not settled; the Japanese stood out for the Shui-Kou-Shan and Tai-Ping-Shan mines)	5,000,000
19.	Sept. 1916 To Province of Shantung, for military purposes	1,500,000
20.	Dec. 1916 To Kwangtung Provincial Government; the Provincial Government gave as security the monthly instalments of $50,000 paid to them by the Central Government through the Salt Commissioners	1,500,000
21.	Jan. 1917 Japanese banking group to Bank of Communications, for redemption of notes of Bank For three years at 7½%, no discount, secured by $1,500,000 shares of bank stock and $4,000,000 Treasury bonds, Japan obtaining privilege of appointing adviser to Bank and option on future loans.	5,000,000
22.	Jan. 30, 1917 Bank of Chosen to Fengtien Province for relief of Chinese banks in Mukden, half payable in one year, half in three Interest 6½%, issue price 95.	2,000,000

No.			Yen
23.	Feb. 7, 1917	Yokohama Specie Bank, second loan to Ministry of Communications for construction of Supinkai-Chenchiatung Railway For 1 year at 7%, secured by revenues of road.	2,600,000
24.	Feb. 1917	Japanese Syndicate to Kwangtung Provincial Government, 1,300,000 for advance to Provincial Government and 1,700,000 for construction of Canton cement factory, entire loan secured on revenues and property of cement factory and customs lands at Tashatou, and guaranteed by Provincial Government	3,000,000
25.	Aug. 1917	Japanese Syndicate to Bank of China, for redemption of bank notes, secured by $15,000,000 Bank of China notes (repaid) For 6 months at 7%.	5,000,000
26.	Aug. 28, 1917	Yokohama Specie Bank, advance on Second Reorganization Loan for reimbursement of advances made by Bank of China to Central Government Repayable out of Second reorganization loan if made, otherwise to be repaid in cash in one year. Interest 7% discount 1%. Secured by surplus salt revenues.	10,000,000
27.	Oct. 17, 1917	Sino-Japanese Industrial Co. and 10 Japanese Banks to Central Government for relief of Chihli flood sufferers One year at 7%, secured by revenues of three native customs houses, including Dolnor.	5,000,000
28.	Oct. 1918	Loan on Kirin-Changchun Railway by South Manchuria Railway Company For 30 years at 5%, issue price 91.50, secured by revenues and property of road.	6,500,000
29.	Nov. 1917	Grand Canal Loan (part of Siems-Carey loan) of total $6,000,000 gold. Americans take $3,500,000 and Japanese $2,000,000 equivalent to	5,000,000
30.	Jan. 1918	Yokohama Specie Bank's share of Group Bank advance for Flood Relief; Security Salt $100,000, say	2,00,000

No.			Yen
31.	Jan. 1918	Mitsui Bussan Kaisha to Central Government on Bureau of Engraving & Printing For three years 8%, issue price 98. Agreement provides that all material shall be bought from M. B. K., if prices are not higher than competitors'.	2,000,000
32.	Jan. 1918	Supplement loan for Kirin-Changchun Railway	630,000
33.	Jan. 1918	Mitsui Bussan Kaisha to Tsao Kun, Tuchun of Chihli, for military purposes, secured by Chinese shares in Lanchow Coal Company, which forms part of Kailan Mining Administration	1,000,000
34.	Jan. 6, 1918	Yokohama Specie Bank second advance on second reorganization loan, repayable out of reorganization loan, if made, otherwise a one year Japanese loan, Int. 7%. Secured by surplus salt revenues	10,000,000
35.	Jan. 1918	Japanese syndicate, for use of Hunan Provincial Government. Said to be secured by right to cooperation in working iron mines at Taipingshan, Anhui, and antimony mines at Shuikoushan, Hunan, for 5 years at 7%, issue price 94 (see loan of May 1, 1915, No. 18)	2,500,000
36.	Jan. 1918	Loan to province of Fukien, for general purposes Secured by sundry taxes. (Unconfirmed, but from good authority).	1,000,000
37.	Jan. 1918	Mitsui Bussan Kaisha to Chihli province for purchase of cotton yarns for Chihli spinners, repayment guaranteed by Ministry of Finance	1,000,000
38.	Jan. 20, 1918	Tai-hei Kumei syndicate to Central Government for purchase of arms—interest 7%, issue price 95, additional commission of 5% for unspecified purpose	14,000,000
39.	Jan. 20, 1918	Second Loan to Bank of Communications Three years at 7½%, secured by $25,000,000 in Treasury bonds, money advanced by Bank of Chosen, Bank of Taiwan, Industrial Bank of Japan.	20,000,000

No.			Yen
40.	1918	Chosen Group of Banks to Telegraph Administration, for extension of land lines, interest 7½%, discount 1½%, secured by all telegraph property not previously pledged	20,000,000
41.	1918	Wireless loan, amount not known but probably Yen 3,000,000 for construction of wireless stations, materials to be purchased from Mitsui Bussan Kaisha	3,000,000
42.	June 1918	To Ministry of Communications, for continuance of Kirin-Changchun line to Korean border For 40 years at 5%.	20,000,000
43.	June 1918	Bank of Chosen to Fengtien Province for Redemption of small coin notes, one half to be repaid in two years, one half in three, Int. 6½%, issue price 95, secured by stock in Penhsihsu collieries owned by Fengtien Province	3,000,000
44.	1918	Yokohama Specie Bank to Province of Hupeh, Security provincial revenues. (Unconfirmed, but from official sources.)	1,000,000
45.	1918	Okura Group to Province of Shensi Secured by Provincial revenues. (Unconfirmed, but from official sources.)	1,000,000
46.	1918	Okura Group to Central Government for military advance against Canton. Security, mines of Canton province (Unconfirmed, but reported from well-informed source.)	2,000,000
47.	July 3, 1918	Industrial Bank of Japan and Chosen Group of Banks Security, all forests of Kirin and Heilungkiang; interest 7½%; 5 years	30,000,000
48.	July 5, 1918	Second Reorganization Loan, Third Advance. Terms as in Nos. 26 and 34	10,000,000
49.	1918	To Yunnan Government. Security—Government revenues from Ko Chiu Tin Mines	3,000,000
50.	1918	The Industrial Bank of Japan to the Ministry of War. Terms not stated. Security, treasury notes. Interest 6%	4,000,000
51.	1918	Industrial Bank of Japan to the Central Gov-	

No.		Yen
	ernment. Terms not stated. Security, wine and tobacco taxes. Interest 7%	2,000,000
52. 1918	To Central Government, advance loan for the construction of four railways in Manchuria, total cost estimated at Yen 150,000,000. Terms not stated	20,000,000
53. 1918	To the Central Government, advance loan for the construction of the Tsinan-fu and Kaomi railways. Total cost estimated at Yen 70,000,000. Terms not stated	20,000,000
54. 1918	To Central Government. Loan for administrative purposes and to reconstruct the iron industries of China. Security, monopoly of iron and other mines in Yangtze provinces. Terms not stated	100,000,000
55. 1918	To the Ministry of War. Loan for military purposes. Security said to be Chinese Government arsenals and docks	47,000,000
	Total: Yen	441,100,000
	Pre-War, including Han Yeh Peh	49,670,000
	Since August, 1914	391,430,000

Only a complete investigation by an international financial commission will establish the number and character of Japanese loans made in China during the years 1917 and 1918, and it may never be possible to establish positively the amount of payments made on the loans negotiated or how the money was disposed of.

The reasons why the other powers in the Allied group stood aside and tolerated Japan' financial escapades in China during this time were twofold. One reason was because of the general war situation, which made it inexpedient to irritate Japan. That reason probably accounts for the failure of the western Allied powers to protest strongly and officially at Japan's course. But why did not those of the Allies (America and Great Britain) who were financially able to advance funds to China take that method of preventing what was happening? I can give no conclusive answer to this question.

It may be that Great Britain could not act because of private agreements with Japan. The United States had no private agreements,—at least, one presumes that—yet it took no steps to aid China financially, although repeatedly requested and urged to do so. Failure of America and Great Britain to act, perhaps, was due only to lack of a definite policy. The truth seems to be that America and Great Britain were trying to play the game in China legitimately. Owing to China's internal division, there was a probability that funds advanced to the Government would be used to suppress the southern faction by force, and be frittered away uselessly. (This is what was done with proceeeds from most of the Japanese loans.) The powers therefore may have agreed not to make financial advances to China unless assured exactly how the money would be spent. In short, a "starve-the-civil-war-out" policy was followed. Officially, the Japanese Government agreed to act with the other powers; and this explains why, during the period of the Nishihara operations, the Japanese legation at Peking always professed ignorance of and disassociation from his schemes. By the time the Japanese duplicity was fully revealed, the war had taken a decisive turn favorable to the Allies. The Nishihara operations then were blamed by the Japanese press on the Terauchi Government, and a new ministry was formed at Tokio which disclaimed responsibility for what had been done.

After the Hara ministry had taken office, the Japanese Government outwardly reversed its loan policy in China and Siberia, and through the Foreign Office it issued two statements, as follows (The "Japan Advertiser," December, 1918):

"Mischievous reports of Japanese activities in China, more particularly with regard to the granting of loans, have for some time past been in circulation and have imputed to the Japanese Government intentions which are entirely foreign to them. For obvious reasons, the Japanese Government cannot undertake to discourage financial and economic enterprises of their nationals in China, so long as those enterprises are the natural and legitimate outgrowth of special relations between the two neighbouring and friendly nations. Nor is the Japanese Government at all receding from its readiness to render needed financial assistance to China, consistently with the terms of all the declarations and engagements to which it is a party, should the general security and welfare of China call for such assistance.

"At the same time, it fully realizes that loans supplied to China, under the existing conditions of domestic strife in that country, are liable to create misunderstandings on the part of either of the contending factions, and to interfere with the re-establishment of peace and unity in China, so essential to her own interests as well as to the interests of foreign powers.

"Accordingly, the Japanese Government has decided to withhold such financial assistance to China, as is likely, in its opinion, to add to the complications of her internal situation, believing that this policy will be cordially participated in by all the powers interested in China."

The second statement was issued in Japanese only, of which the following is a translation:

"In view of the fact that the investment of Japanese capital in China and Siberia affect to a great extent the diplomatic and financial policy of the state, the Japanese Government has determined to establish definite principles regarding the investment of Japanese capital in those regions which are to be strictly enforced hereafter:

"1. Whenever any Japanese capitalist opens negotiations with a government, central or local, in China or Siberia, regarding loans which are to be utilized for political purposes, he is requested to consult with the Foreign Office, Japanese Embassies or Legations, or with the Japanese Consulates. When consulted, the Foreign Office will at once refer the matter to the Department of Finance or other governmental offices concerned and will give necessary instructions to the capitalist concerned.

"2. If any capitalist opens negotiations without awaiting governmental instructions or acts against them, the Japanese Government may refrain from giving any necessary protection for the capital thus invested.

"3. In accordance with the nature of the loans, the Foreign Office may arrange for the convenience of the capitalists to the effect that they will be able to consult directly with the Department of Finance or any other offices concerned."

Foreign opinion of the Japanese loan policy in China is very well expressed in an editorial of the "Japan Chronicle," on August 8, 1918:

> The political situation in China grows more and more complicated and the economic situation less and less secure, so that foreign observers who were wont to hold rather optimistic opinions as to the future are now inclined to abandon them and regard China—or rather those who have the nominal control of the country—as engaged in a national rake's progress, the end of which will be the bankruptcy and dissolution of the rake and the handing over of his property to others. Is this consummation to be wished? Apparently there is some difference of view on this point, for while there are some who desire that China should pull herself up and try to establish some sort of order in her economics and finances, there are others who seem to be doing their best to accelerate China's pace along the road to ruin. China may be said to be running a race with the war to see which can finish first. If the war were to end to-morrow there might be some chance of saving China; if the war continues for a period to be reckoned in years, then China seems to be doomed. At the peace conference she will appear with a few draggled plumes representing all that is left of her former fine feathers, and the victorious powers will shrug their shoulders and protest that if China cannot rule her own country and people there is nothing to be done. China may be quite certain that another war is not going to be fought on her behalf and that those who have acquired part or all of her property have only to sit tight and smile blandly to secure themselves in their own. The war may be one that is being fought in preservation of the right of national self-determination, but the weak nation planted by the side of the strong one will be in much the same position after as before the war. Germany's blundering policy has shown which is the wrong road to follow, but there are others less antagonistic and equally effectual. Before the weak nation can be at rest in spite of a strong neighbour a change of heart must obtain, and war hardly seems the best way to bring this about. A peace by exhaustion is another matter altogether.
>
> Japan has plunged deeply into Chinese economics since the war started and the pace is now growing fast and furious. Loan follows loan with almost indecent haste and provided sufficient security is forthcoming almost any sort of guarantee seems to be accepted. Local loans, national loans, private loans—all seems fish that comes into the net of the Japanese capitalist. The fortunes of the mor-

row do not trouble him. Probably he bases his optimism on the belief that even if all law and order were dissolved in China, if government were overthrown and his guarantees so much waste paper, still the strong arm of his country would uphold him. It would not be the first time that warships had been used to collect foreign loans, and if the hard cash and interest were not forthcoming, the security would always remain to fall back upon. It might even be better to have the security than the amount of the original loan itself. Japan is not altogether to be blamed if she regards the present opportunity to invest money in China as the chance of her life. After all, she did not invent this process of peaceful penetration. She has had many opportunities of watching it at work all over the world, and for years she fretted at her own poverty when she saw other nations placing their savings in China's lap. She even made endeavours to take part in the game by herself appearing as a borrower in order to be one of China's creditors. Now that the war has changed her condition, her eagerness to become a *bona-fide* creditor of China has been given full play—perhaps too much play, for it cannot be denied that her policy shows a certain amount of roughness about the edges,—a want of *savoir faire* which has jarred upon her friends and set their teeth on edge, so that they too have felt called upon to utter sharp remarks. After all, these things require to be done with a certain amount of politeness. To snatch a man's purse in the street is mere vulgar robbery. The contents may be caused to change hands without a cry of "stop thief" being raised.

It is on these grounds that even moderate British papers in China have lately seen fit to criticise Japan's policy, even in face of the fact that Japan is one of the Allies in the great war, the winning of which is of primary importance if we are not all to be plunged into an era of barbarism. Such criticism is really most serious, the more especially as no man can tell when the war will finish,—when Germany will undergo that disintegration which now seems the most probable end to the war. Such disintegration will come suddenly when it does come, and if it finds Japan still engaged in financing China by methods which the best authorities regard as not in the interests of that country, the criticism may be turned into action. A financial polity based upon the somewhat sinister personality of Mr. Nishihara hardly seems one that the powers can support as in the best interests of China.

The Japanese loan policy was not confined to the Chinese Government (Peking) recognized by the Allied nations, and the territories and officials under its authority. It was active in a minor way also in the southern provinces that were in revolt against the Peking Government, and loans were made not to the so-called Southern Government at Canton, but to some Tuchuns and lesser local officials in the Southern provinces. Of course this process amounted to aiding and fomenting rebellion against the recognized Government of China, which was an ally of Japan in the war. It is expected, when the differences between the Northern and Southern Chinese political factions are compromised, if this happens, that many Japanese loans and concessions given during the civil disorder will be disclosed, as was the case after the revolution of 1911 and the rebellion of 1913.

While the corruption policy by means of loans and bribery was being used to extend Japanese influence and control over all of China's territory that was not included in Japan's spheres of occupation, Japan was proceeding with a high hand in those spheres. Manchuria provides probably the most complete example of this process of administrative penetration, but in some respects Shantung Province gives even a better illustration of what Japan's peaceful penetration and her "enlightened administration" of non-Japanese regions means. Shantung provides almost a complete exposition of the Japanese system as it works in Korea, Formosa, and China, although in Formosa and Korea there are no international complications to restrain the system.

For the first three years of her occupation of Shantung Province Japan moved with a certain caution, but by the autumn of 1917 it evidently was felt at Tokio that it was safe to extend the measures for putting Japan in complete control there.

Japanese occupation and gradual usurpation of administrative functions had been excused on the ground of military necessity and that they were temporary. Now Japan began to substitute Japanese civil administration for military occupation. The process is very well described in a memorial of the Shantung People's Association, published November 9, 1917:

1. After the occupation of the German leased territory of Tsingtau by the Japanese in the winter of 1914, they at once established the so-called railway zone along the Tsinan-Kiaochou line which was not in existence during the last seventeen years when the Germans were in Shantung. On account of the establishment of this zone with or without the concurrence of the Peking government, Japanese subjects have seized all mining areas, in addition to those already granted to the Germans, by the so-called Sino-Japanese cooperation. When once any Chinese comes into an agreement with the Japanese, he cannot free himself because there is usually the clause that "in future loans or other requirements in which foreign assistance is needed, that Chinese must first approach the Japanese"—that is to say, the Japanese enjoy preferential rights anywhere and everywhere they go, either in their dealings with the Chinese government or people. The Hanyehping Corporation and the Bank of Communications were lost to China on account of this clause.

2. After their occupation of Tsingtau, the Japanese then seized the Tsinan-Kiaochou railway and then pushed their influence to the capital of Shantung. In the districts along the Tsinan-Kiaochou line, the Japanese selected wealthy natives to act as elders for them in every village and these men are held responsible for any loss of rails or sleepers. The Japanese usually take away the headmen as a penalty without the knowledge of the local Chinese officials simply because they say that there are rails or sleepers missing in certain villages, and all protests or requests from the Chinese civil Governor at Tsinan or district magistrates are ignored by the arrogant and haughty Japanese. After a trial at Tsingtau by the Japanese Court, the headmen are usually fined many times the worth of the rails, etc., said to have been lost or stolen by the natives.

3. Now after three years of their occupation of Tsingtau, the Japanese have established civil offices at Tsinan, Fangtzu and Changfang, along the Tsinan-Kiaochou line, under the excuse that they are only intended for the control of Japanese in Chinese territory, despite the fact that there are Japanese Consulates which enjoy the right of extraterritoriality. If the Chinese Government will allow this to pass unnoticed without protest, the crafty Japanese will surely extend this system finally to all parts of China. The so-called Lansing-Ishii agreement will not bind the Japanese and will

> merely encourage them to utilize the words "special interests" to encroach upon Chinese sovereign rights, as it is exceedingly hard to give a proper explanation to the words "special interests."
>
> 4. In reply to the petition of the Shantung People's Association General Chang Huai-tze, Tuchun and civil governor of Shantung, says that Baron Hayashi, Japanese minister to China, does not regard the establishment of this sort of civil office in Chinese territory as necessary or lawful, while the Chinese minister at Tokio, Mr. Chang Chung-hsiang, has reported to the Wai Chiao-pu that he has been informed by a delegate from the Japanese Foreign Office that the matter is under the careful consideration of the Japanese Government and that it is not true that the Japanese Government has refused to withdraw same. As Japanese official statements are generally unreliable, it is our duty as representatives of the thirty millions of the Shantung people to stay in the Capital and wait for a definite result.

Getting no satisfaction from the Peking Government in response to their memorials, the inhabitants of Shantung started a popular agitation against the recognition of the Japanese civil administrations in the province. On November 22, 1917, Wang Chao-chuan, a member of the Shantung Provincial Assembly, delivered an address before the Shantung guild at Peking, in which he said:

> I desire to give you a short report of what I have seen and experienced in my native land. Since the taking over of the Tsinan-Kiaochou railway from the Germans by Japan, the activities of the Japanese have been strongly felt by us. The Japanese now desire to make our province their colony, and the means employed by them to achieve their ends are far from being honest. Besides taking over all mines operated by the Germans, they have now started the operation of mines in more than ten other places where no sanction has been obtained from the Chinese government. They engage Chinese to apply for license to work on the mines, and when any investigation is instituted by local officials they would produce counterfeit deeds and contracts to prove that the property had been transferred to them by some Chinese whose whereabouts could not be found.
>
> Now they have gone a step further, and are usurping our civil rights. In the villages within the railway zone, the Japanese have made elders responsible for the protection of certain sections of

the road; and sometimes the Japanese railway policemen come to these villages to make investigations. When they find coal or iron in any house, they arrest the owner and inflict large fines on the ground that he has offered refuge to bad characters and "tufei." The district magistrates are helpless in the face of such outrages. We cannot help shedding tears as we witness the oppression of poor and innocent inhabitants along the railway zone. With the introduction of Japanese Civil Offices into these places, the condition of the people will become even more deplorable.

On November 30, 1917, a people's conference was held at Tsinan-fu, the capital of Shantung Province, and delegates were appointed to proceed to Peking and protest to the Government. Wang No and Wang Chia-su accepted the office, and on their arrival at Peking they presented a petition, in part as follows:

> Some time ago the Japanese authorities established in Tsingtau the Office of Civil Administration, and now they have established branches of this office in Fangtzu, Tsinan and other places. When the Provincial Assembly, Educational Association and other local authorities telegraphed to the central government requesting that protests be lodged with the Japanese Legation at Peking, we decided to await the result; but we have now reached the limit of our patience and endurance, and if no measures be immediately taken to prevent such gross violation of our sovereign rights, the final destruction or dismemberment of the country will soon take place.
>
> In May, 1915, when a Sino-Japanese Treaty was signed in connection with the affairs of Shantung (21 demands and supplementary), it was provided that China should in future acknowledge the transfer of privileges and concessions in Shantung which might be made by Germany to Japan. Thus Japan can only enjoy the concessions after the war when they are arranged between them (Japan and Germany). Besides enjoying all privileges and concessions formerly granted to Germany by China, Japan has now attempted to usurp our civil rights by establishing civil offices in our territory.
>
> In Article 4 of Chapter 2 of the Lease of Kiaochou-wan, it is provided that German merchants are allowed to work or to cooperate with Chinese merchants in working coal mines which are situated within a distance of 30 li from the railway zone. During the period of German occupation, no attempt whatever was made to interfere with the civil administration of this country even within the districts marked as "railway zone." But the Japanese have

> now established civil administration offices in Tsinan and Fangtzu, despite our protests.
>
> The German authorities at Tsingtau have hitherto done their best to respect our civil rights, and they did not interfere with our police administration. They recalled the troops at Kaomi and Kiaochou, who were sent there to protect the railway, and allowed us to exercise police authority in the railway zone. But the Japanese have refused to recall their gendarmes under the pretext that their country is still in a state of war with Germany. They have consuls in our country, and indeed there is not the least necessity for them to establish civil offices to interfere with our administration.
>
> It is evident that by their aggressive actions the Japanese are only enforcing their policy as implied in the new Japanese-American Alliance [Lansing-Ishii agreement].

Other foreign governments were not oblivious to what was happening in Shantung, and Japan's moves were closely observed. I quote from a report of an official of the American Government who investigated conditions in Shantung, dated November 30, 1917:

> . . . I have the honor to report that this action has aroused great opposition on the part of the Chinese in the province of Shantung and elsewhere. I learn that the Chinese Government in October presented a formal protest against not only the Civil Administration itself, but also against the stationing of troops and the extension of Japanese administrative functions outside the leased territory. The Chinese plainly fear that the comparatively trivial military operations against the Germans are to make the basis of Japanese permanent domination of Shantung, and they are bitterly opposing every manifestation of what they feel are hostile and sinister usurpations of their fundamental rights.
>
> The Japanese, on the other hand, starting with the assumption that the Shantung Railway, as well as the leased territory, are conquered areas, assert that it is both their right and their duty to provide for the peace and prosperity of this region, and that the new Department of Civil Administration and its branches outside the leased territory have been created with only that laudable object in view.

The report cited in detail various matters in connection with the Chinese agitation against the extension of Japanese administration, and quoted from numerous Chinese memorials and protests. The report also cited the Japanese moves to counteract this Chinese popular indignation. One method was for the Japanese press in Japan, China and America to accuse German propaganda of having instigated the agitation among the Chinese. Of that the report remarks that "there is no tangible evidence that German propaganda or influence played any serious part in the matter. On the other hand, the Japanese and Germans seem very friendly." Efforts were made to placate Chinese opinion by "pretending to withdraw somewhat." The Japanese consul-general made a special trip to the tomb of Confucius and laid wreaths on it. The Japanese military governor of Tsingtau made a trip along the railway and to Tsinan-fu, accompanied by Dr. M. Akiyama, the Japanese civil administrator who had been appointed. The latter was very coolly received by the Chinese. At an after-dinner speech, on November 15, the Japanese commanding general (governor) said, as quoted in the "Shantung Jih Pao," that the Chinese should not permit themselves any suspicion about the establishment of civil administration, as it was an established international custom to create such forms of government *in conquered and colonized areas.* The newspaper stated that these remarks displeased the Chinese guests so much that they remained silent, and soon afterward left the dinner.

In trying to placate the Chinese population,—foreign aggressors in China always have the weapon of commercial boycott to fear—the Japanese officials indirectly made use here again of the "white peril" argument. This report says:

> "In connection with this visit of General Hongo, a Japanese press organ (*Seitou Shimpo*, Tsingtau) stated that a Chinese military officer, in toasting the Japanese general at a dinner, remarked that it was necessary for Japan and China to combine to resist the advance of the white races in the East after the war. In replying, General Hongo tactfully avoided the comparison, and said that the establishment of civil administration was a step toward closer relations between Japan and China."

The railway and harbor administration at Tsingtau were placed under the Japanese civil administration, thus indicating a purpose to make Japanese occupation permanent. The report makes an analysis of Chinese opposition to extension of Japanese administration. It gives the number of Japanese in Shantung (official census) at more than 20,000, of whom about 6,000 are outside the leased territory and the railway zone. (Chinese assert that there are more than 15,000 Japanese in Shantung outside of Tsingtau and exclusive of the troops and gendarmes.) The report quotes parts of an article by Professor J. Shiga, a Japanese, published on March 1, 1917, in the "Santo Koron," the principal Japanese organ printed at Tsinan-fu, as follows:

> I ascribed [in a previous article] the strength of Germany to (1) a high degree of Imperialism (from which their stamina and momentum come), (2) scientific brains (which bring about a systematic development of the country), (3) body to overcome the odds of environment (requisite to thrive in work abroad).
>
> . . . .
>
> For your information the following parallel facts are cited:

Germany	*Japan*
Area: 87,500 square miles. Population: 67,000,000. Ratio of increase: 1.5.	Japan proper: 75,000 sq. m. Korea: 35,000 sq. m. Population: 67,000,000. Ratio of increase: 1.5.
Past and present:	Past and present:
German people 2000 years old, united 50 years ago by the wise policy of the old Emperor. She fought thrice with foreign countries and won thrice to the glory of the nation.	Japan 2600 years old, changed herself 50 years ago by the virtue of the late Emperor. Fought with foreign countries thrice and won thrice to the glory of the nation.
Future:	Future:
India, Australia, Canada and South Africa all belong to Great Britain, which helps her-	If one possesses even the crust of bread of the world, well and good. Far from crust, our

> self to the main portion of the bread of the world.
>
> Germany's portion is nothing but its crust or its dust. How should Germany provide for herself in the future?—(Words of Treitschke, the cause of the present war.)
>
> new gains in the war are a dust of dust (Marianne, Caroline and Marshall islands are what we picked up). How should Japan provide for herself in the future?
>
> Such briefly is the condition in which we are. We Japanese should bear in mind the fact *that we must not lose an inch of what we have acquired on the continent.* We never can tell how the political clouds of Europe may shift even for the next moment. Remember, Tsingtau is the landing place to the continent, which we have newly acquired with sacrifice. All the Japanese in Shantung, particularly at this juncture, should rouse themselves once, nay, one hundred times, to brace up our authorities and watch over the steps they take.

With Japanese organs and Japanese leaders publishing such views in the capital of a Chinese province, there is little to wonder at that Chinese were uneasy. The report considers the technical status of Japan's position in Shantung. Chinese had raised the question of the leased territory, of which the report says: "Without going into the dispute regarding China's declaration and attempt at abolition of the 'War Zone,' the above considerations [terms of the original Kiaochou convention] would seem to support the contention that only Kiaochou leased territory and the 50 kilos zone may rightfully be regarded as 'occupied territory,' Japanese contentions with regard to the railway notwithstanding." In regard to the establishment of Japanese civil administration outside the leased territory, the report says:

> The establishment of Civil Administration outside of the Leased Territory is therefore quite a different question. The establishment of such offices at Fangtze and Tsinanfu was undoubtedly the intention of the Japanese Government. Simultaneously with the publication of the Imperial Ordinance and the local Military Ordinance referred to in the first paragraph of this report, Military Notification No. 93, of October 1, 1917, was issued by the commanding gen-

eral in Tsingtau. This notification gave the jurisdictional areas of the local Administrations at Tsingtau Litsum (10 miles from Tsingtau, within the Leased Territory). Military Ordinance No. 21 also made its appearance, promulgating the scheme of organization of the local administration. (Copies herewith.) The location of the first railway local administration office at Fangtze was probably determined by the presence there of the new barracks already referred to.

During the course of the Chinese opposition to the Civil Administration this office was informally informed by an official of the Administration that the necessity for the offices outside the Leased Territory arose from the presence along the railway of great numbers of Japanese residents. The annexed census shows that almost 6000 Japanese reside in the designated area. But even granting these facts, it is logical to inquire by what right they are there? When foreign right of residence in the interior of China is so carefully circumscribed by treaty, to the Chinese it must appear that Japan is proceeding on the assumption that the rights of residence granted to Japanese subjects in South Manchuria by Article 3 of the treaty of May 25, 1915, have been extended to Shantung, an assumption that is, so far as this office is informed, contrary to fact. But even granting, again, that this great body of Japanese are residing in the interior in conformity with treaty stipulations, they are nevertheless amenable to their consular authorities, and the creation of other Japanese governmental agencies would appear to be clearly *ultra vires.*

Before it was announced that Japan would establish civil administrations in Shantung outside of the former German leased territory, the Japanese military government at Tsingtau had taken steps to establish an extensive Japanese-owned land area there by the forcible purchase of lands from Chinese owners. The area and the manner of acquiring it are described in an official report of the agent of a foreign government, dated May, 1918, as follows:

This land includes the shore of Kiaochou Bay, extending from the Great Harbor northward along the railway for several miles, 'and from the Bay right across the peninsula on which Tsingtau is situated. Not only will every possible land approach to Tsingtau in the future, therefore, be Japanese-owned property, but every vestige of waterfront anywhere near the railway will be theirs as

> well. The area affected is roughly twelve square miles in area, and this Consulate has no doubt but that it will ultimately be extended to Litsun, eight miles from Tsingtau, in order to include the source of the city's water supply.
>
> . . . .
>
> It is the opinion of this Office, respectfully offered, that the Japanese army of occupation is far over-stepping the privileges allowed such organizations by the rules of war, and is arrogating to itself the civil rights secured to the former German lessees through conventional agreement.

Chinese owners of this land were not allowed the option of selling or retaining their property, but were compelled to sell by pressure of the Japanese military authorities acting under martial law. Yet Dr. M. Akiyama, the newly appointed Japanese civil administrator in Shantung, in a speech made at Tsingtau on October 11, 1917, said: "Twenty years ago Germany treacherously occupied Tsingtau, and not only established a far Eastern naval base here, but also made it a commercial center vis-à-vis China." Thus an official of the Japanese Government denounced the method by which Germany acquired the leasehold of Kiaochou, yet Japan rests her claim to a position there on the validity of Germany's status. The statement was made in an address explaining Japan's (official) position in Shantung, and was read from a manuscript. Dr. Akiyama is supposed to be an authority on international law.

In a petition presented to the cabinet at Peking on January 4, 1918, by representatives of the Shantung Provincial Assembly, this paragraph occurs:

> 1. Not only within the once German leased territory of Tsingtau, but also at Poshan and some other districts, the Japanese have seized all mining properties by peaceful or forceful means. Japanese outlaws went so far as to tie up the hands and feet of those owners of mining hills who refused to sell their properties and beat them fiercely. In one case, oil was poured on the man's clothes in order to frighten him to accept the demands of the Japanese, and sign a lease to his property. Thus after the solution of the question concerning the illegal establishment of Japanese sub-civil administra-

tions in Shantung, the mining question will be the most difficult one for the government to settle with Japan.

In the autumn of 1918 a survey of results of the Japanese activities in Tsinan-fu, the capital of Shantung, was made by an American educator (Upton Close), who summarized what he learned in an article published in "Millard's Review" of January 18, 1919. I will include here portions of that article:

Japanese political influence in Tsinan and Shantung has its hub in the Provincial Waichiaopu, and its Foreign Commissioner, Tang Ko-san. This man, schooled in Japan, married to a Japanese wife, and indebted for his entire political career to Japanese influence and aid, has been reduced to a condition of absolute subservience and helpless vassalage to his patrons. His administration is inefficient, pusillanimous, and accused of nepotism by his fellow officials, especially on the score of his giving too many positions to his relatives—the cardinal sin of Chinese officialdom. It is evident that he could not retain his position a day without his powerful Japanese backing.

. . . .

With these men in their control, Japanese have a strangle hold on the political life of the Shantung capital. It is now publicly announced that Commissioner Tang is an aspirant for the governorship of the province, and Japanese interests, including their local daily vernacular paper, are supporting him with might and main. Twice Chinese merchants have endeavored to combine for a boycott of Japanese goods; once, upon the occasion of the establishment of the Japanese Civil Government Department their meeting was broken up and the Chamber of Commerce sealed by order of General Ma; once, in September, 1916, their plans were brought abruptly to an end by the despatch of a letter by courier direct to the president of the Chamber of Commerce while sitting in discussion of the question, from the Japanese Consulate, giving that body, as I am informed, fifteen minutes to change the subject, under threat of forcible dispersion.

Let us turn to the actual Japanese occupation of and enterprise in the city, which, however, as we shall see further, can hardly be called commercial. I was going to use the word "penetration" rather than "occupation," but it is too much an accomplished fact for that expression. The first three years of the war, the Japanese population segregated itself near the railway station under their administration, and in residences and buildings taken away from the Germans. The past year, however, their policy has been to decentralize over the entire settlement, and even into the principal sections of the old walled city. It is evident that when they get ready to map out their "settlement" here, as in Tsingtao, they will rebuild the "whole thing." Besides the large number of Chinese firms financed by Japanese money, there are, situated on every length-wise and cross street of the settlement and in three principal sections of the city under the direct operation of Japanese, 194 enterprises classified as follows: (This list is not guaranteed against omissions or mistakes, but was compiled with great care for accuracy and thoroughness.)

SUMMARY

Drug Shops	63
Houses of Prostitution	22
Notions (Miscellaneous small goods)	38
Hotels and Inns	13
Banks—Actual Banking Business	3
"Banks"	3
Hospitals	3
"Yang Hang," etc.	3
Railroad offices, aside from station	2
Barracks and Gendarme Station	3
Schools	3
Residences	26
Flour Mill	
Dessicated Egg Factory	
Cinema Theater	
Postal and Telegraph Office	
Railway Station	
Wireless Station	
Railway Coal Syndicate	
Consulate	
Total, Japanese Enterprises	194
Without Residences	168
Percentage of total without residences: Drug Shops and Houses of Prostitution	50%
Percentage of Small, Miscellaneous Shops and Enterprises	32%
Percentage of Military, Government and Railway	7%
Percentage of Actual Commercial Enterprises	8%
Remaining Percentage	3%

It should be noticed what a small percentage of the whole can be classed as actual commercial enterprises of any standing.

. . . .

The overwhelming percentage of Japanese enterprises in Tsinan are the small drug shops, miscellaneous and notion shops, and "touching-up stations"—as their Japanese designation might be translated—the houses of prostitution. Not discussing the latter, which need no explanation to those familiar with Nipponese custom, it is evident that, with the hundreds of Chinese shops selling Japanese patent-medicines, notions and small goods, there is no market in a city the size of Tsinan to support 107 Japanese shops, in many cases with apparently several families dependent on them, also handling these lines of small goods. It is charged by Chinese that Japanese "business" here is not commercial. A percentage is engaged in morphia and other lucrative traffic, as I shall show. But there remains nevertheless a large percentage which it is certain are not dealing in these illegitimate lines, which, however, are just as certainly not dependent on their turn-over of merchandise for support. One may enter these shops and ask for a common article in their line, and find that the shopkeeper does not know whether he has it in stock or not, and does not care whether he makes a sale or not. He does not appear in the least offended or disheartened when the prospective customer turns away without purchasing. In some of the drug shops the bottles are covered with dust, and apparently are never disturbed. Some proprietors of these shops are evidently of the lower class and very poor; others appear very comfortably situated, and many have a decided military bearing. The inference is that these people are an artificial population supported or subsidized by their government to give it prestige, hold, and a right to participate in affairs. Or, it may be that they are a small army of emergency which their government finds most convenient to quarter in this way. The recent purchasers of the large number of German residences likely come in this same class, as there are no commercial establishments here sufficient to support men of the station in society who would seek such residences.

We have now to consider the morphia trade which, although not confined exclusively to Japanese, is inseparable from their penetration and occupation. It may well be questioned what reasons for official Japan allowing its nationals to institute this traffic are sufficiently weighty to justify their running the gauntlet of the public opinion of the world. The writer would suggest the following three reasons:

1. The profit which, in the absence of real commercial enterprise,

finances "peaceful penetration." It is a matter of public knowledge in Tsingtao that the profit from the drug traffic has supplied the funds for the campaign of wholesale buying of everything purchasable, the immense building program, and the support of the artificial population.

2. The poisoning and weakening of the Chinese nation from its official classes down, making it an easy prey to the aggressor.

3. The unbreakable hold gained on the official class through the narcotic, who become bound by a slavery stronger than steel fetters to their Japanese drug-providers, and can be swayed or induced to give up secrets. These fetters are fastened by two locks, first, the habit-slavery of the narcotic itself; second, the fear of the poor user of scandal and loss of his position and all that he has should he break with those providing him or displease their friends or officials. Many concrete examples could be given.

The writer has reliable evidence that two of the large Japanese commercial firms have in the past imported through Tsingtao and delivered shipments of arms, consisting principally of small arms, to individuals connected with the Chinese military. It appears that small shops cannot deal in this trade, as they would be more accessible to surveillance by the Chinese authorities, and could not command the confidence of the individual for whom they were purchasing to the extent of inducing him to put down the cash at time of order, which is always demanded. The goods are ordered from and paid for at these companies, and later delivered direct from Tsingtao in some secret way to the purchaser.

The Chinese Police Headquarters when referred to on this subject stated that it finds itself unable to take a census of the Japanese population, and is forced to content itself with what statistics are sent to it by the Japanese Consulate here, which in November, 1917, reported 200 males and 150 females, totalling 450, and has made no report since. The most conservative estimate would place this figure as a tithe of the present Japanese population. There is, in addition, a continual floating population passing in and out of the Republic through Tsinan and Tsingtao, which reaches at times at least as high as two thousand.

. . . .

The above is a brief, but comprehensive, summary of the enterprises which the activities of the Japanese officials and nationals have been directed to building up during their unparalleled opportunity of the past four years. They have had absolutely a free hand. *What they have done must be taken to represent what they aimed to accomplish.*

China's long struggle against the opium traffic and habit is familiar to the world. When the Great War began the traffic was on its last legs apparently. The Chinese Government and the Chinese people were in a way to accomplish what had seemed to be impossible, and completely to stamp out the cultivation, trade in, and use of the drug in the whole of China. All the principal powers, including Japan, were nominally coöperating with China in this effort, and had made agreements accordingly. Then the war came, disturbed and unsettled the administration of China, and let down all bars to Japanese "penetration." How Japanese, with the connivance and often with the actual help of the Japanese Government, took advantage of these circumstances to introduce and fasten another drug habit on the Chinese, constitutes as black an action as has been charged to any nation in recent times.

Recently the "North-China Daily News," of Shanghai, the oldest and leading British organ published in China, threw off the restraint upon criticism of Japan which the war had enforced upon British publications and gave an *exposé* of the Japanese morphia traffic in China. A report and analysis of this traffic revealed that for the last two years it has been one of the most profitable items of Japan's foreign trade; the profits from it in 1913 were $8,400,000, and they have increased enormously during the war. Extracts from the report of the correspondent of the "North-China Daily News," published in December, 1918, follow:

> It is a larger trade now than it was in 1913. Morphia, however, can no longer be purchased in Europe. The seat of industry has been transferred to Japan and morphia is now manufactured by the Japanese themselves. Although Japan is a signatory to the Agreement which forbids the import into China of morphia or of any appliances used in its manufacture or in its use, the traffic, inasmuch as it has the financial support of the Bank of Japan, is carried on with the direct approval and encouragement of the Japanese government. In no other country in the world has there ever been known such a wholesale contraband traffic. Literally tens

of millions of yen are transferred annually from China to Japan for the payment of Japanese morphia.

The chief agency in the distribution of morphia in China is the Japanese postoffice. Morphia is imported by parcels post. No inspection of parcels in the Japanese postoffices in China is permitted to the China Customs Service. The Service is only allowed to know what are the *alleged* contents of the postal packages as stated in the Japanese invoices, and yet morphia enters China by this channel by the ton. A conservative estimate would place the amount of morphia imported by the Japanese into China in the course of this year as high as 18 tons and there is evidence that the amount is steadily increasing. Wherever Japanese are predominant there the trade flourishes. Through Tairen morphia circulates throughout Manchuria and the provinces adjoining; through Tsingtao morphia is showered over Shantung province, Anhui and Kiangsu; while from Formosa, so favored by geographical propinquity, morphia is carried along with opium and other contraband by motor-driven "fishing" boats to some point on the mainland, from which it is distributed throughout the province of Fukien and the north of Kwangtung. Everywhere it is sold by Japanese under exterritorial protection. How efficient is that protection may be gauged by the fact that no Japanese has ever yet been punished for dealing in contraband in China. When Chinese police raid the morphia shops along the Tsinanfu railway in Shantung, as they have a right to do, for the traffic is illegal, Japanese gendarmerie rescue the arrested and exact a fine, not from the guilty be it understood, but from those who attempted to uphold the law. In recorded instances known to American investigators the Chinese magistrate himself has been compelled to pay an indemnity.

In South China morphia is sold also by Chinese peddlers, each of whom carries a passport certifying that he is a native of the island of Formosa and therefore entitled to Japanese protection. Japanese drug stores throughout China carry large stocks of morphia. Japanese medicine vendors look to morphia for their largest profits. Everywhere Japanese female prostitution, the systematic extension of which from Yunnan city even to Urga is such an inspiring evidence of the business activities of our Asiatic Allies, goes hand in hand with the sale of morphia. Morphia, no longer purchasable in Europe, is manufactured now in well-equipped laboratories in Japan and in Formosa. During recent years the bulk of the Persian opium coming into the market has been purchased by Japan for conversion into morphia, for Persian opium yields a larger percentage of morphia than Indian opium. Opium grown in Korea, the cultivation of which it is interesting to note followed immediately upon the closing of the opium shops in Shanghai, Japanese officials providing the seeds; and opium grown under Japanese protection in Manchuria, is an ever expanding source of the supply of morphia, and, it may be added, of opium required by the administration of Formosa. One must emphasize that this opium is not imported into Japan. It is transhipped in Kobe harbor to Tsingtao, from which point of vantage, assisted by the Japanese-controlled railway to Tsinanfu, it is smuggled through Shantung into Shanghai and the Yangtze Valley. Opium purchased in Calcutta for Rs. 3,500 per chest—about Tls. 1,000—costs, delivered in Kobe harbor, all told, well under Tls. 1,200 per chest. This opium—Tsingtao opium—is sold in Shanghai at $500 a ball of 40 balls to the chest—a total of 20,000 per chest. China's failure to sell "for medicinal purposes" her opium at $27,000 per chest, the price asked by the opium ring, is thus explained. The price is undercut by the Japanese.

The dimensions that the traffic has already assumed are noteworthy. There is reason to believe that between January 1 and September 30 of this year, 1918, not less than 2,000 chests of opium purchased in India were imported into Tsingtao *via* Kobe. Upon this amount the Japanese authorities levy a tax, which does not appear in the estimates, equivalent to Tls. 4,000 per chest, a total for the 2,000 chests at the present rate of exchange of two million pounds sterling. The acquisition of this immense profit from a contraband traffic would explain the origin of those immense sums now being lavished upon the development of Tsingtao and the establishment there of Japanese commercial supremacy.

It may be asked how it is possible that at Dairen, where the morphia traffic is greatest, and at Tsingtao, which is the chief center of the Japanese opium trade, the importation of this contraband continues without the knowledge of the Chinese Maritime Customs. But at both Dalny and Tsingtao, the Chinese Maritime Customs are wholly under the control of the Japanese and wholly manned by them.[1] Japanese military domination would forbid in both ports any interference with a traffic in which the Japanese authorities were interested, either officially or unofficially. In Dalny the highest civic dignity has been conferred upon the chief dealer in morphia and opium. Moreover in the case of Tsingtao, by the agreement which relinquished to Japanese the exclusive charge of the Chinese

---

[1] The predominance of Japanese officials in the Chinese customs offices at Antung, Dairen (Dalny), and Tsingtau, was among the concessions forced from China by the "agreement" of 1915, and other agreements.

Maritime Customs there, any trade in which the government is interested, contraband or not, can be carried on without the official knowledge of the Customs. Article 3 of the Agreement of December 2, 1905, perpetuated in the Agreement of August 6, 1915, provides that any goods landed in Tsingtao under "certificates of government" shall be free from Customs examination. The way has thus been opened, not only for the illegal import of opium, but of contraband in arms, by which the bandits of Shantung province are provided with the means of harrying and looting and murdering the peaceful peasants of the most sacred province of China. The China Maritime Customs returns of 1917 show that 45 piculs of boiled opium were admitted into Tsingtao in 1917. The actual amount was probably 50 times greater. The balance enters in cases stamped *"Chun pung p'in"* (military stores), and boxes so stamped are to be seen commonly in the Japanese drug stores along the Shantung railway. In 1917 morphia to the amount of nearly two tons is recorded as having entered Dairen for use in the Leased Territory, but no morphia is recorded as having entered Manchuria from the leased territory during the year, nor does any entry of morphia appear in the Tsingtao Customs returns for 1917. Yet a competent witness, Dr. Wu Lien-teh, states that "Almost every Japanese drug dealer or peddler in Manchuria (and Shantung he might have added) sells morphia in one form or another, and does so with impunity, because no Japanese can be arrested without first informing the Consul."

In an official report to the American Government made in September, 1918, on the subject of the demand by the Japanese administration at Tsingtau for the removal of American and other foreign mercantile property from certain areas, the question of the extensive improvements made by the Japanese at that place was discussed as follows:

> The secondary question as to where the Japanese military headquarters obtains the money now being spent in large sums for the purchase of property, erection of schools, residences and public buildings, for the laying out of streets, for harbor improvements, and other public works, is an interesting one, but difficult of exact answer. Known sources of revenue are: (1) 20% of the duty collected; (2) land taxes; (3) business and vehicle taxes; (4) income from public utilities, i.e., railways, mines, electric light, water works. etc. A source of income. whose amount has been variously

estimated at from $700,000 to several millions per annum, is the importation under Japanese government license of opium.

Regarding the Japanese morphia trade in Manchuria, where Japan controls the situation to an even greater degree than in Shantung, I will quote from an American official report on the subject, dated July, 1918:

> I have the honor to report that, notwithstanding the stringent orders issued by the Japanese consular authorities at Mukden recently, forbidding their nationals to trade in illicit drugs, a considerable number of Japanese continue to dispense morphia and various other narcotics to Chinese who are disposed to buy. I may state that in order to obtain actual proof, I sent a Chinese member of the consular staff to brothels holding Japanese licenses and situated in the Japanese railway area. The charge for 5 smokes is $1.00 small coin and the opium thus obtained is mostly provided through Japanese. The tolerance by the Japanese consular authorities of this practice attracts more Japanese to Manchuria, and induces Chinese to settle in territory under Japanese jurisdiction and to contribute directly or indirectly to the Japanese.
>
> Since the Indian supply of opium has been cut off the votaries of this drug have been dependent upon the supply coming from the north, principally from the districts about Harbin. The drug is brought into Chinese territory via Changchun, and into Mukden through the South Manchurian Railway station, where the Chinese authorities have no power to search incoming passengers. The only way to purchase opium in Mukden is through middlemen, who conduct business in the district immediately surrounding the South Manchuria Railway station. Some of the dealers are Japanese and some are Chinese. The latter are principally from Chili province, a few coming from Shanghai.
>
> Opium arrives here in a semi-prepared condition and is known as red opium, and is quoted as $10 small coin (about $5.00 gold) per ounce. This price, of course, is subject to sudden fluctuations. Many people carrying on this illicit traffic have gained enormous profits at the expense of the ignorant classes.
>
> Regarding morphia and its by-products, it is always possible for the lowest class of Chinese laborers to purchase an injection from any so-called Japanese drug store at a price from 3 to 5 copper cents, say from 1½ to 2½ American cents. In this way the Japanese have accentuated the scarcity of copper coins, and at the

same time have ruined many of the lowest class mentally, morally and physically.

From the stringent orders issued by the Japanese consular authorities regarding the sale of illicit drugs by Japanese subjects, as cited above, it would seem that the authorities in question are not desirous of complying with the wishes of the Chinese authorities in eradicating the opium evil, but their desire is simply to hoodwink the world and to go through the motions of suppressing the evil. The fact that opiates are sold openly on Japanese premises which are not under Chinese jurisdiction proves conclusively that the Japanese authorities are not at all anxious to cooperate with China and Great Britain in eliminating the drug evil. Customs statistics regarding the importation of morphia into Manchuria cannot be relied upon, owing to the enormous quantities brought into the country illicitly from Japanese sources.

In this connection it is interesting to quote an item from the "Japan Chronicle," printed in November, 1918:

SMUGGLING TO CHINA

OPIUM, FIREARMS, FORGED NOTES, AND GIRLS

The police authorities of Kyoto are examining a number of men in Kyoto, Osaka, and Kobe in connection with smuggling of opium and arms to China. It is stated that a man named Shibutani Yoshisaburo, living at Yamato-oji, Shito, Kyoto, working in collusion with three other men, bought a large quantity of poppies and secretly manufactured opium. The drug was smuggled to China, the quantity shipped between January and April last amounting to 16 kwan, valued at Y12,000. The smugglers were making arrangements to make another 70 kwan, valued at Y50,000, when certain information came to the knowledge of the police and they were arrested.

It is also alleged that Shibutani, with the help of certain dealers in Osaka and Kobe, smuggled some thousands of revolvers and rifles to the Chinese Revolutionists. Another charge laid against some of the men under examination is that of being implicated in the kidnapping of girls from Japan to China and in the forgery of Chinese bank-notes. It is stated that the men arrested have many accomplices in the South Sea Islands, Harbin, Shanghai, and Hongkong.

After the exposures about the Japanese drug traffic in China, the Japanese Government issued a long explanation of its position and connection with the matter, which is very well summed up editorially by the ''Japan Chronicle,'' on January 30, 1919, as follows:

> The *Japan Advertiser* contains a long explanation from official sources of the position of Japan in regard to the opium and morphia trade in China, which is in the familiar style. The chief crime seems to be that committed by the foreign Press in China which made the disclosures. Incidentally it makes Japan's case all the worse, because it describes how perfectly adequate the Japanese machinery is for preventing the trade, and with this statement it is content to leave the matter, not venturing on the question whether the machinery is properly worked. It is also content "specifically to deny" the use of the post office as a means of distribution, and attempts to put the whole blame on smugglers who run their own cargoes into ports where Japan has no control. Then comes this ingenuous confession: "It was learnt yesterday that the trade in drugs flourishes in Manchuria, where large profits are reaped. Opium there is under monopolistic control of the Kwantung Government-General, which deals out the drugs to the Japanese and the Chinese dealers in Manchuria under the jurisdiction of the Government-general. Certainly, as some of the foreign journals state, the enormous profits thus gained by the monopoly are paying for a large part of the expenses of the Government-generals (*sic*) in maintaining schools and other branches of its administration." Surely it must have been known before yesterday. But the only official criticism on this is, "However, it is an international question," which means, presumably, that nothing will be done until an international commission makes up its deliberate mind on the subject. The official apologist further says that all nationalities are involved and that the amount of such drugs handled by Japanese cannot be compared with the British share. It is demanding a very large credulity when we are asked to believe that there is a greater British trade which is passed over in complete silence in these exposures. Are we to believe that the foreign Press in China is anxious only to deprive Japan of the profits so that those of its own nationals may be the greater?

One of the nefarious methods employed by the Japanese to keep China constantly in a state of internal turbulence, and to make it appear that the Chinese Government is unable to maintain order and protect foreign interests, is the use of the banditry who are one of China's hereditary institutions. Evidence is accumulating to prove that Japan's agents become members of the Chinese bandit bands, and that the bands are armed and otherwise supplied from Japanese sources. In the autumn of 1918 the bandits and lawless unpaid Chinese soldiery in Shantung Province began to stop and board the express-trains on the Tientsin-Pukou Railway, causing much annoyance to passengers. The relation between Japanese in Shantung and the Chinese bandits has been pretty well established, and Japan's reasons for giving out an impression that China cannot maintain order in that province are obvious. It is the same in other parts of China, especially in those regions where the Japanese predominate. I quote from an American official report about conditions in Manchuria, dated in September, 1918:

> On August 31 there was a raid of about 200 bandits on several towns and villages on the China side of the Yalu river. The villages were looted and many of the houses were burned. Circumstances indicate that many of the bandits were Japanese soldiers in disguise. Other similar cases have occurred and the matter is becoming serious.
>
> . . . .
>
> As has repeatedly been pointed out in reporting such instances, the only possible method of preventing trouble of this kind would be the effectual prevention of the import of arms, and this measure is rendered impractical by the facility with which lawless characters can at all times secure ample supplies of arms and ammunition from Japanese smugglers. Since this smuggling can easily be stopped by the Japanese authorities in Korea, their failure to take any effective steps indicates that they are not averse to the occurrence of disturbances along the border that may possibly give them excuses for interference in Chinese jurisdiction.

I quote another official report on the same subject, dated May 3, 1917:

> Information received directly from two Americans, two Englishmen and one Dane—all having first-hand knowledge of the question—proves conclusively that the Japanese have been conniving with

> the bandits and actively supporting them (specific instances given) . . . "The first object of the Japanese is to foment trouble and create serious disturbances in Manchuria so as to demonstrate to the world China's inability to preserve order and to maintain peace within her own dominions. Japanese cooperation with the Chinese rebels no doubt had a similar purpose and their encouragement of the monarchist party at the present time is directly in line with this policy. Anything to create dissension and disorder and to weaken the Chinese Government will receive their assiduous attention. The motive is two-fold. An excuse is provided for active intervention and control and even occupation, while the Chinese are weakened and divided, and the cost of sustaining a large armed force and preparing for incursions and insurrections keeps the treasury not only empty but in debt. A state of indebtedness not only enables the Japanese to make loans to China upon valuable concessions, but prevents the liquidation of old obligations and makes it easy for the Japanese to foreclose. . . .

The disorder throughout China caused by the lax administration and internal strife naturally increases the opportunities for outlaws, and between the demands of political factions, exactions of officials, and the depredations of brigands, the peaceable Chinese citizenry know not what way to turn to protect their lives and property. They see everywhere Japanese going about their business freely and enjoying complete immunity from all those difficulties. So a somewhat remarkable condition has come about, which is described in a report of a foreign official, dated November, 1918, as follows:

> The Japanese, always alert to take advantage of conditions due to the disordered state of the country, have now organized a new business in many of the provinces, especially in central and southern China. For a money consideration, Japanese residents will store Chinese property on their premises, under the protection of a Japanese flag raised over the houses. This has developed into a large business in the disturbed areas, and many Japanese are amassing small fortunes in this way. It is curious to note that these Japanese who are able by the protection given them by the Japanese consulates and government, and who outside of the treaty ports have no legal right of residence, are nevertheless far more secure than the native citizens of the country, and are able to sell "protection" to

them merely by running up a Japanese flag over Chinese property. The local Chinese officials frequently have protested at the practice, but dare not interfere with the Japanese, who evidently have the backing of their consular officers.

A rough and of necessity an incomplete computation of Japanese financial and trade activities in China during the Great War indicates that the profits of the illicit drug traffic and other contraband operations of Japanese there will nearly equal the total amount actually advanced to China in the same period. Among the Japanese schemes in this period, the so-called "gold brick" proposal (a plan for China to create a "credit" in Japan for Japanese currency notes, which would be circulated in China as legal tender), the so-called "arms" deal, the draining of China of copper cash, the Japanese evasions of the Salt duties, and others, might well be entitled to elucidation; but the citations given should suffice.

As a deliberate and persistent attempt to debauch and ruin a weak and friendly (part of the time an ally) nation, Japan's course in China has few parallels in history.

CHAPTER IX

CHINA AND ECONOMIC IMPERIALISM

Definition of economic imperialism—Its relation to international affairs—Its working method—War-causing elements of the system—Its application to China—Beginning of foreign trade with China—Development of strategical phases—The "sphere of influence" idea—Dangerous phases—Prevision of John Hay—The Hay Doctrine—Its outward acceptance by the powers—Private agreements based on the "sphere" thesis—Recrudescence of the "sphere of influence" practice—Due to Japan's policy—War provided Japan's opportunity—Japan's fear of American influence—A flank movement—The Shibusawa plan—The "coöperation" idea—Its real purpose exposed—How it was contrary to traditional American policy—How it was invidious to China—China's situation—Dangers inherent with the coöperation plan.

MODERN political scientists almost without exception evince a growing realization of how international trade and economic relationships are interlocked with the causes of international hostilities and war. A new terminology for certain phases of these combined economic and political relationships is coming into use. ''Economic Imperialism'' is now generally accepted as describing an international relation which frequently is given first rank among war-making elements; with ''peaceful penetration,'' ''spheres of influence,'' ''special position,'' ''paramountcy,'' and other phrases invented by diplomacy as euphemisms for the schemes and methods by which economic imperialism is applied. Of the numerous volumes on this topic that have been published recently, the authors usually take Germany's pre-war trade policy as a text to demonstrate the iniquities and dangers of the system. I quote Professor Alvin Johnson (''The Passing of Economic Nationalism,'' in ''Harper's Magazine''):

Because political and military concepts have assumed definite shape, have organized themselves in well-wrought systems in our minds, we find it natural to interpret in purely political and military terms the struggle in Europe. The democratic world is striving to pull down the German autocracy, that political freedom may be saved to the earth. The struggle is one of the naturally pacific peoples against a system of military aggression. These are indeed interpretations that are essentially valid. But they do not include the whole truth. German autocracy and militarism have had their counterpart in an aggressive system of economic nationalism. It is a system by which the whole economic life of a people, more especially its foreign trade, is subordinated to a national purpose of domination. The economic nationalism of Germany does not aim merely to create trading relations of mutual advantage with foreign states. It seeks so to entrench itself in weaker states that these may be compelled to exclude relations with other states. It seeks to stifle development of industry in the weaker states, in order that their dependence may be permanent. Economic nationalism is, in short, the principle of monopoly to the plane of statecraft. The destruction of the system may not, indeed, be an avowed object to the allied policy, but it will be no less certainly doomed by the defeat of Germany than aggressive militarism and intriguing autocracy.

Economic nationalism of the German type, I hasten to qualify, has not been confined to Germany. It has influenced commercial policy throughout the world, just as German military organization has been widely envied and copied, and as even German autocracy has excited exaggerated admiration and has wrought modifications for evil in political systems that would naturally have developed in a more liberal direction. But just as the autocratic and militaristic ideas have been seized upon by the consciousness of the people as the essential spiritual content of the world-scourge of Germanism, and hence are certain to be discredited everywhere, so the policy of economic nationalism, no less characteristic of Germanism, is bound to encounter a rude shock when quiet is restored to earth and the shattered commercial relations of the nations come to be reconstructed. . . .

The poverty of the weaker nations will survive the war, to be sure. And a poor nation will still be subject to the seductions of a trading organization that scours the country with engaging agents, studying the people's wants and having goods made up to suit any taste, to be paid for in nine months or twelve months—so far in the future to those who are poor! And if then the customer can't pay, the same trading organization has a bank which will arrange extensions of credit, and which is also at hand to do other business. Perhaps there is a railway project in abeyance for want of funds; the bank will arrange for its promotion in the country to which the bank owes allegiance; it will also procure there rails and locomotives, and engineers to construct the track. As good engineers might be had locally, and rails and equipment might be had cheaper in other countries. But then there would be difficulties about the promotion, and, besides, it would not be easy to arrange for the transportation of freight by the organization's ships, perhaps the only ones touching at the port. All manner of enterprises would have to be set up along the railway, and in these the organization would take stock. This is "peaceful penetration," as it was applied by Germany to Italy, Turkey, Brazil, Venezuela, and whatever other countries were poor and ambitious for development. Such countries there still will be. Will not the same kind of operations be resuscitated? Yes, if the industrial nations become again as blind or supine as they were. But this is hardly conceivable. It is now coming to be understood that the supplying of the legitimate capital requirements of a poor country is a common concern of the advanced nations. They will not so soon be ready to consign a backward country to the mercies of Germany, or any other single state, to barter its independence for petty loans.

David Jayne Hill (''Economic Imperialism'' in ''The Century Magazine'') states his opinion positively: ''Beyond dispute it was economic imperialism that caused the present war, and plunged Europe into it.'' He compares the two opposite theories of the state and nationalism as follows:

> To those who accept the absolutist theory of the state there is nothing reprehensible in the spirit of conquest by imperial domination. Why should any nation holding this theory refrain from extending its power as far as possible? It is, in truth, certain that it will not do so; but it follows with logical necessity that as long as this theory is held the conflict of nations will continue. . . .
>
> The whole future of civilization turns upon the decision whether the state is to be henceforth a creation of force or a creation of law. If it is to be considered merely a creation of force, then preparation for war is the only wisdom; for only the strong state can survive, and it must be at all times ready to fight for its existence. But if, on the other hand, the state is rightly conceived as a creation of law, then all states accepting this theory are menaced

> by the existence of strong embodiments of power which refuse to be governed by the rules of law. As long as they exist, as long as they arm themselves for aggression, as long as they devise and entertain schemes of conquest, so long the truly constitutional states must be prepared to defend themselves, and even to defend one another.

The application of the arguments quoted to the situation of China and to the trade of all nations with China is very pointed. In the sense apparently meant by Professor Johnson and Dr. Hill, China is one of the most complete examples of the effects of economic imperialism and the pass to which it will bring a weak nation. China affords an equally good example of that other phase of economic imperialism—its potency for frictions among the strong nations that employ it. In its early beginnings and for many years thereafter, China's commercial intercourse with foreigners resulted almost exclusively from the individual or corporate efforts of foreign merchants. As a nation China was indifferent to the expansion of this trade, from having slight comprehension of its benefits and possibilities, and when its contacts began to cause complications with foreign governments, the Chinese Government grew uneasy and tried to discourage it. Thus almost from its inception foreign trade with the Chinese developed tendencies of economic imperialism from force of circumstances, and with the frequent application of external pressure on China; but it was not until the closing years of the nineteenth century that dangerous and invidious phases of the system palpably began to appear there. This period marked the strategical development of economic competitions among the leading powers in China. It was the time when China's military impotency was conclusively revealed by her defeat by Japan, whose aspirations for a foothold on the continent were obstructed then by a combination of European powers; when Germany secured by intimidation a position at Kiaochou, Russia obtained one at Port Arthur and Dalny, Great Britain at Weihaiwei, France at Kwangchowwan.

It was the period when the "sphere of influence" idea took root there, and the powers began to divide China into sections specially reserved for their own exclusive exploitation. Of the so-called powers, only the United States claimed no "sphere." Japan, too, was not included in the tentative partition of China at that period, but she was planning to secure a place there, as the war against Russia soon was to reveal.

At that juncture John Hay, then secretary of state, with remarkable prevision recognized the fundamental importance of the issue to the United States and to civilization, and devised a plan to check the progress of economic imperialism in China. In view of the fact that, subsequently, it was the concept of economic nationalism as practised by Germany that disturbed the world, it is interesting to recall that the particular action which was the occasion of Mr. Hay's diplomacy was an action of Germany in procuring a lease on Chinese territory at Kiaochou Bay and certain railway and mining concessions in Shantung province. His efforts resulted ultimately in securing the acceptance by all the major powers of the principles of the commercial "open door" in China and preservation of the territorial integrity of China.[1] These principles are habitually termed the Hay Doctrine, and the doctrine embodies now, as it did then, the true bases for any solution of the Eastern problem.

The Hay Doctrine can be said to date from the time of the Hay-Buelow correspondence and the coincident acquiescence of the other powers, given through the usual diplomatic channels, in 1899. It therefrom constituted the public policy of all the powers on these questions, and still does. It was reaffirmed in the course of the next few years by several separate agreements between the powers: the Anglo-Japanese alliance, the treaty of peace between Russia and Japan, a further special agreement between Russia and Japan, an agreement between France and Japan, and the special treaty between the United States and Japan known as the Root-Takahira agreement. Those agreements were signed during the years 1889–1907.

---

[1] Appendix A.

Yet in this same period, most of the signatories to those agreements reaffirming the principles of the Hay Doctrine also concluded other agreements separately among themselves, outlining and defining their particular "spheres," actions which were subversive of the Hay Doctrine in their principle, and, without doubt in the case of some powers, with intent to evade it. There were instances where clauses affirming the Hay Doctrine and clauses based on the "sphere of influence" principle were incorporated in the same agreement, notwithstanding their contradictory nature. For a few years after the acceptance of the Hay Doctrine by the powers, some of them apparently tried to reshape their policies in China to conform to it. The result of the Russo-Japanese War, and the manifestations of Japan's policy which followed it, brought an immediate recrudescence of the "sphere" policy, and from then the Hay Doctrine has been rapidly undermined. The nation primarily responsible for this relegation of the Hay Doctrine is Japan.

The Great War gave Japan an unusual opportunity for commercial penetration of China. Her principal competitor there for the cheaper manufactured articles, Germany, was virtually out of business for the time; and war conditions greatly disorganized the foreign trade of all European nations. For the first three years of the war, however, the United States shared with Japan the advantage of being comparatively free of access to China, and conditions there were developing in a way very favorable for the expansion of American interests. There was much talk of American loans, and a Chicago banking group did make a small loan to the Chinese Government with a view to further business. Encouraged by the American Government, a firm of American constructors (the Siems-Carey Company) approached the Chinese Government about the building of railways, and, after meeting the usual objections of other powers on the ground of alleged encroachment on rights and privileges previously granted to them (in this case, Russia and Great Britain were the objectors), signed in 1916 preliminary agreements for the construction of several railway lines and for the reconstruction of the Grand Canal.

These projects are not in themselves of transcendent importance, but the circumstances which attended their negotiation very importantly illustrate conditions relating to American commercial and financial development in the East, and the application of Japan's theory of economic penetration of China. The Chinese Government at that time was particularly anxious to induce the investment of American capital in China for political reasons, as an offset to the impending Japanese domination, and was willing to grant more favorable conditions to Americans than to any other foreigners. China needed money, and needed the improvements contemplated by these undertakings. Japan was strongly urging upon the Chinese Government that she should be allowed to finance and construct them, but so great was the Chinese fear and suspicion of Japan that the people, and the Chinese Government then, preferred that nothing should be done rather than extend Japan's vested interests in the country. During the course of these negotiations, which lasted for months, Japan's diplomacy at Peking was privately trying to obstruct the American projects, but without much success until their efforts to sow distrust of America received the tacit assistance of Americans.

This came about by way of a flank movement by Japan, under cover of a plan for Americans to "coöperate" with Japanese in developing enterprises in China. A propaganda of unusual proportions was begun in favor of such coöperation. Baron Shibusawa, Japan's leading financier, visited America to promote it, and in the course of the years 1915, 1916, and 1917 other Japanese special missions to America, and Japan's well organized publicity propaganda in the

United States and in Japan, took occasion to advocate this idea. In "Millard's Review" for June 23, 1917, I discussed the so-called Shibusawa plan under the title, "Should America Coöperate with Japan in China?", as follows:

> It is almost two years since Baron Shibusawa, then on a specially timed visit to the United States, first began to lay the foundations for the so-called "cooperation" of America with Japan in China. I should say, perhaps, that he put it as asking Americans to cooperate, rather than the American Government; for Baron Shibusawa then pretended to be talking to American business men as a representative of Japanese big business interests. But Baron Shibusawa really was aiming at the American Government through the American business world, with a view to influencing its policy toward China; he really was a spokesman of the Japanese Government, for Japanese big business never does, and could not if it wanted to, operate independently of the Japanese Government in matters which touch foreign affairs and international policy. With that beginning, Japan's publicity propaganda has sedulously pushed the "cooperation" idea, until it seems to have taken root in some influential quarters in America outside the Government, with a result that its effects have been strongly felt upon American interests in China, and give signs of having greater effects hereafter.
>
> The gravity of this question hardly can be exaggerated, and the time has come when it seems necessary, in the fundamental interest of not only China and America, but also of the world, to clarify it by examining its bases and principles. Since China is the point d'appui of this "cooperation" idea, then it must or ought to turn on the situation of China, and an elucidation of China's present condition would give the idea definition.
>
> A calm study of the situation of China as it exists today discloses, with some qualifying influences, that her immediate (I mean the next decade) future narrows down to two alternatives:—
>
> *A. A period during which she will tolerate a benevolent assistance in some of her fiscal affairs, which will necessarily carry with it some limitations of administrative autonomy.*
>
> *B. A period during which she will be forcibly subjected to an unbenevolent and much more stringent supervision of her fiscal affairs, and a much more severe and extensive limitation of her administrative autonomy, amounting to foreign suzerainty.*
>
> The first alternative would carry with it a promising possibility of a complete recovery by China of her administrative and fiscal autonomy in a comparatively short time—perhaps ten years. The

second alternative would carry with it almost the certainty of China being a vassal State for an indefinite period. In this connection, it should be understood that in case alternative B prevails, the nations which promote and enforce it will of course *pretend that it is alternative A,* and in their initial stages these alternatives will present great similarities, making it possible to confuse them superficially.

Unfortunately, it does not rest with China exclusively to choose between these two alternatives, or to reject them altogether. China can now influence the decision only indirectly. The real decision rests with foreign powers. Whether the first alternative (A) is possible to bring about depends on whether the international agreements known as the Hay Doctrine, or those principles in new agreements, can be resuscitated. The Hay Doctrine cannot, in my opinion, be resuscitated and maintained hereafter except by the active participation of the United States of America in supporting it. If the United States does not take an active part in restoring and thereafter maintaining the doctrine, then it is practically certain that alternative B will prevail. Therefore, the application to China of these alternatives depends to a great extent on the course and policy of the United States.

It should be taken as axiomatic, after events of the last three years, that it will not be feasible for the United States to take an active part in sustaining the Hay Doctrine (or its equivalent) unless the following things occur in conjunction and coordination:

1. A resolution of the United States Government so to act.
2. A world diplomacy based on that resolution.
3. Armaments, *or their equivalents,* sufficient to make this diplomacy effective.
4. The cooperation of American finance and commerce.

Whether the American Government will have the first three of these elements depends largely on how the American people interpret the meaning to them of the great war, and the world position of the nation at the end of the war. Whether American financiers and merchants will operate extensively in China depends on their Government having the first three of the elements I have enumerated. Given that resolution and diplomacy and armaments, it will be possible for the United States to align enough powers with it to sustain the Hay or a similar doctrine. With the United States indifferent or inactive, other powers probably will be so situated, and so influenced that they will fall in with a policy embraced in alternative B. The importance to China of the course of the United States is obvious, and this gives great interest to moves that are designed to influence the policy of the American Government at this juncture. The "cooperation" plan is in that category, and therefore ought to be scrutinized closely.

To give point to academic argument, practical illustrations are useful, even necessary; and I therefore will point my views of this "cooperation" idea by showing how it already has worked in some instances. To do this requires me to publish matters concerning American projects about which I would prefer to be silent at this time. My desire is to assist and promote in all legitimate ways these and similar projects; but I can see a serious danger to American interests in some tendencies and developments, that ought to be threshed out while there is yet time to correct mistakes, or to prevent them from being repeated in subsequent enterprises. And besides, Samuel G. Blythe, who recently visited China, in a striking article in the "Saturday Evening Post" of May 26, already has given wide publicity to these same matters; in fact, I perhaps cannot do better than to quote something from Mr. Blythe's article. After he has developed a political argument along certain lines, he goes on to say, apropos this same cooperation idea, as follows:

> "Furthermore, the Japanese know what the investment of American money in China means, and they are frantically trying to prevent that investment, and even more frantically trying to join with investment they cannot prevent in order that its effect may be lessened to a degree. If there is any person in the United States who pretends to know anything of the politics and policies of the Far East, and especially of Japan, who thinks that Japan is making this present determined effort to join with American investment in China—cooperate—with any other idea than to nullify, so far as possible, the effect that investment will have in the way of lessening Japanese influence and power in China, that person is sadly—altruistically, mayhap, but sadly, none the less—in error.
>
> "Another reason for this change of official attitude in Japan toward the United States was a rather tardy but none the less acute awakening by Japan to the fact that she cannot yet arbitrarily control the financial and trade and commercial destinies of China. Within the past eighteen months the evidences in China of a determination by the American International Corporation, and its subsidiary, the Siems-Carey Company, to operate in China, and the project of a large loan by Chicago financiers, as well as other American demonstrations, caused the adaptable Japanese, who realized that they are not yet strong enough in China to protest or disregard their paper adherence to the Open-Door policy, to about-face and make clever and, it may be, successful efforts to assume the attitude of tradi-

tional friendship, in order to hold and to consolidate as much as they may of their already won advantage. Any portion of a loaf is better than no bread to the Japanese mind. If they can't control they hope to cooperate, and thus half control at any rate.

"I do not know the details of the American end of this cooperation project, for I was in China during its inception and its original discussion; but I do know the Chinese end of it and the Japanese end of it, and I shall set down those phases of the plan as a part of this argument, basing what I have to say on five premises:

"First: The only reason the Japanese desire to cooperate with the United States in China is because the Japanese have concluded they are not, as yet, strong enough to combat well-supported American business enterprise in China, with the idea of diminishing that American business enterprise so far as they may be able, in order that they may retain as much economic and political dominion over China as possible; and not for any other reason.

"Second: Any business cooperation with the Japanese in China that is based upon or recognizes any special or preferential political rights of the position of Japan in China will be suicidal.

"Third: It is the diplomacy of Japan to join with America as a protection to themselves for their Closed-Door policy; for, if America goes into partnership with Japan, America must, if the partnership is to be continued, accept what Japan does.

"Fourth: Every proposition Japan makes to the United States for a cooperative investment in the development of China must necessarily be amended by Americans to include cooperation in the development of Southern Manchuria, Eastern Inner Mongolia and Shantung. Otherwise it becomes merely an extension of Japan's influence elsewhere. There is plenty of opportunity for development in Southern Manchuria, for example.

"Fifth—and most important: American capitalists must realize that when they form any partnership, or enter into any cooperation in such enterprises, they are taking part as Americans simply, as citizens, as a corporation or company, while the Japanese are taking part as a government—that is to say, the Americans are going into partnership, as individuals, with the Japanese Government, notwithstanding what the Japanese proponents, as individuals, may say.

"It is not my intention to decry the good faith or excellent intentions of the American capitalists who are imbued with the cooperation idea; but there are certain elements of the situation that are perhaps not so well known to the bulk of Americans as they might be, and the purpose of this article is purely informative. It would be vain to endeavor to impress on American capitalists the fact that money cannot do everything, or that the decision of money is not the great and wise decision. Millions can do no wrong. That is their creed. So, if American capitalists have decided to cooperate with Japan in China, what they have decided upon must necessarily be the part of ultimate wisdom."

I concur with Mr. Blythe in crediting the honorable motives and sincere purposes of Americans who have been misled by the superficial appeal of the Shibusawa "cooperation" scheme; but I do not agree when he says, "It would be vain to endeavor to impress on American capitalists the fact that money cannot do everything." With such grave possibilities in this question, surely our men in the statesman-financier class will give it sound study before even tentatively committing our financial world to it, or permitting this to be done by implication. There is nothing which the National Foreign Trade Council can do that is of more importance to the development of our trade with the East than to elucidate this proposition in all its bearings. More than trade is involved; our national honor and security are closely linked with the decision of this issue.

The most pertinent recent instance (which Mr. Blythe alludes to) exemplifying the practical working of this "cooperation" idea is given by some things that have happened with relation to contracts undertaken in China by the Siems-Carey construction company, an American firm operating in conjunction with the American International Corporation. From their inception, the Siems-Carey undertakings in China have sought and have obtained the support of the American Government, which seemed anxious to demonstrate that it wants to extend all legitimate aid to American enterprises in this country. About the time when Baron Shibusawa visited America as the protagonist of the "cooperation" plan, negotiations were commenced at Peking for the Siems-Carey contracts. Japan's attitude toward such American enterprises is substantially as follows: First, prevent them from getting a contract if possible, by oblique obstruction if it is not expedient to interpose open diplomatic opposal; Second, if the contracts are secured, then try to prevent them from being carried out; Third, if both the two first methods fail, then try to become parties to the contracts.

All these methods were, in this instance, used in turn, and the manner of employing them was very interesting in some of their phases. On returning to Japan after his visit to America, Baron Shibusawa gave interviews which made an impression, and which were subtly intrepreted to give the impression, that his mission had been successful, and that the American financial world had agreed to "cooperate" with Japan in China. This interpretation was at once disseminated throughout China by Japan's press propaganda here, and almost succeeded in preventing the Siems-Carey contracts from going through. A *sine qua non* of this transaction, from China's standpoint, was a desire to avoid the use of Japanese capital and supervision in the further extension of China's internal transportation system; and especially in regard to the Grand Canal improvement, which runs partly through Shantung province, where Japan is now claiming, as an evictor of Germany, an exclusive position under the old "sphere" theorem. So when the news was sent broadcast in China that American financiers had decided to cooperate with Japanese (out here everyone knows this means the Japanese Government) in these and other schemes, it at once aroused such suspicion of the American proposals among Chinese that it came near to defeating them. It was thought necessary to communicate this phase of the situation officially to Washington, and thus to elicit an unequivocal denial from the Americans who were to finance the Siems-Carey work. In that case, the deep-rooted suspicion of Japan's motives which now is entertained by a great majority of Chinese was cleverly used by Japan to sow suspicions of America, by ostensibly placing these American projects in Japan's shadow. However, that device was frustrated, and the contracts were signed.

Next came the effort to prevent the contracts, and particularly the canal improvement (which lies partly in Japan's so-called "sphere") from being carried out; and in this the "cooperation" idea was used even more cleverly. The effort was transferred from Peking to New York; and the American Legation, and American representatives of these interests then in China, were astounded one day to hear, via Japanese news services, that an agreement had been made in New York whereby Japanese were admitted to participation in the canal improvement. This was coupled by comments, in Japanese newspapers in China and in the press of Japan, plainly intimating that the Americans had been forced to admit Japanese because of diplomatic representations, thus demonstrating that America was not strong enough to do anything in China without Japan's consent and help. Behind these considerations (in themselves sufficiently damaging to American prestige) lurked the further presumption, that with American concessions in China runs the possibility and the (to China) danger of them being obtained by representing them as purely American enterprises, and being then sold into other national control which is considered invidious to China. And still behind that, was the presumption that the American Government would lend itself to such oblique political machinations.

That is how American national honor comes into such transactions. A good deal has been raid, in recent years, [I have done some of the saying myself] about the duty of the American Government strongly to support its nationals in China, and to lend official countenance to financial and commercial enterprises. I think this must be done if we ever are to make headway here, and if we are to be of any effective aid to China. But the assumption of such official action by the American Government must include the assumption that American financial and commercial enterprises so supported will harmonize with the broad national interest, as conceived and practiced by the national foreign policy.

Even before the world war had given a new meaning and a new tendency to both national and international commerce, we who reside in China had come to perceive that a very close relation exists between American commercial efforts in China and the foreign policy of the American Government; and that only by the consonance of these two elements can a really worth-while advance be made. Formerly we thought of this question principally, or altogether, in terms of the far East; but we now see that the principle is of world wide application—that American trade in China, and with China, may hinge on events in Europe, or anywhere in the world, which may by indirection affect political and economic conditions here. By this process we reach the conclusion that American Government policy in China cannot be detached from American policy in other parts of the world, but must be coordinated with our nation's foreign policy as a whole. The same principle, it seems to me, also applies to American economic policy in China.

In formulating and practicing their foreign policies Governments are forced, or consider it expedient, at times to take courses that impede and obstruct—or seem to, and at least do discourage some business efforts of their nationals; and which bring, or seem to bring a Government into opposition to business interests. When these frictions occur, some basis of compromise usually is worked out; but if business interests, however important and powerful, become definitely committed to opposition to a fundamental canon of national policy, then inevitably the business interests have to yield. This principle always has held true; and every day that passes witnesses some new accession of the power of States to dominate the activities and affairs of their citizenry. Therefore if, by any mischance or miscalculation, American financial and commercial interests in China should get at cross-purposes with a fundamental issue of broad American national policy, it certainly would retard the development of our trade here, and might react disastrously upon our nation as a whole. Also, if American business policy in China would permit itself, consciously or unconsciously, to be placed in an attitude unsympathetic or detrimental to the legitimate aspirations and national rights of the Chinese people, a sound and extensive expansion of American trade here will become impossible.

If the policy of Japan toward China is predicated on a hypothesis expressed by the formula I have designated previously as Alternative B, and American policy toward China is expressed by Alternative A, then if American commercial policy here would "cooperate" with Japan in China on Japan's own conception of a policy and on Japan's terms, it would be placed in distinct opposition to the broader interest of the American nation and to the foreign policy of the American Government. Does the American financial and commercial world want to get into this position? And if it should, wittingly or unwittingly, get into this position, how can it expect to be listened to if it asks the support of the American Government (which to be effective must carry with it the idea that the national power goes with it, which in turn means that the American people may become involved in war by such issues) in promoting its efforts in China?

Those are the major aspects of this question. I have studied, from such information that I have, to discover what motives those Americans who incline to the "cooperation" idea, and who seem to have committed themselves partly to it by giving Japanese a position of some kind in the canal improvement, have been governed by in accepting that theorem for the expansion of American economic interests in China. Of course, it is denied that political considerations induced the admission of Japanese; but that explanation will not bear analysis. Surely, New York financiers would not have us believe that they, after entering on these engagements, could not finance them without Japanese help, or could not carry out the construction without Japanese expert advice?

What was the reason, then, if not politics? The fact seems to be that American financiers, up to very recently, and perhaps now, have not believed that the United States Government would develop the elements that I have mentioned as being essential for the restoration and enforcement of the Hay "open-door" doctrine. It looks like they got "cold feet" as to whether the United States really is or ever will become a real power in the Pacific Ocean, and thought it better to go on under the aegis of Japan rather than stand pat and run the risk of being turned back. For the moment, the national honor and prestige do not seem to have had much place in their calculations; present expediency was the apparent consideration.

There is another phase to this question that has an influence on the attitude of American finance and commerce. Within the last ten years there has been a shift of conditions which has tended to array a considerable fraction of American trade in the far East to favor Japan rather than China. As American trade with China has lost ground (a loss in which Japan's policy has played a part), the trade of many American firms with Japan has become more important proportionately, until a condition exists whereby their interests connected with Japan are more extensive and important than similar interests in China. Therefore, while these firms would like to have the door kept open in China, and sympathize with efforts to that end, commercial expediency deters them from being very active in promoting such a policy to an extent that will impair their connections with Japan. One can plainly see this motive in the present psychology of American finance and commerce toward the "cooperation" idea. Now trade with Japan is one thing; trade with China is another. Both America and Japan are good customers of each other, and I hope they always will be; but this simple fact, which applies to our commercial relations with all countries, should not lure our business interests off on a false economic trail. In commerce, Japan is Japan and China is China; just as France is France, Russia is Russia, and so forth. Japan doesn't trade with us because she loves us, but because of the operation of economic and commercial processes that are of general application to all international trade, and which are moreover constantly shifting, and subject to political influences. Moreover, this particular "cooperation" scheme carries a distinct possibility of setting American interests in China into political antagonism with British, French and other foreign interests.

I want to quote Samuel G. Blythe again, for a moment. He describes, in the "Saturday Evening Post" article previously quoted, how, when the Japanese Government tried to impose its notion of a right to participation with Americans in enterprises in Shantung, the American Legation at Peking politely mentioned some Japanese projects in Manchuria, and suggested that Americans might like to participate there, to which Baron Hayashi, after taking some time to think it over, responded that such American participation in

Manchuria did not come within the "cooperation" idea. Mr. Blythe remarks:

> "Well, there it was and there it is. Japan seeks to cooperate with the United States only in such places in China as Japan does not dominate at the present time. Japan brooks no cooperation or interference in places where Japan has nailed herself down, but will cooperate in places picked by Japan—and not by America—where Japan thinks Japan can be advantaged in her plans by such cooperation, and American profits and influence diminished."

That really about gets at the heart of this "cooperation" idea as far as it has developed in China. I do not want to be understood as being opposed to any and all American-Japanese cooperation, in China or elsewhere. What I insist on is that in China American cooperation with any other nation will be on lines that conform with traditional American policy, with the sound development of American interests, and with the national integrity of China.

CHAPTER X

CHINA AND ECONOMIC IMPERIALISM—*CONCLUDED*

Blindness of Americans to certain conditions—Applying lessons of the Great War—Relation of militarism to economic imperialism—Some aspects of American trade in China—Effects of the "hyphen" in foreign trade—Fallacy of the Shibusawa plan—A remarkable letter—Why Americans in China are anti-Japan—Japan and China contrasted—First and later impressions—Coördination of Japanese political and commercial methods—A strong arraignment of Japan—Her recent course in China indicted—How the Chinese are impressed—Seeming inconsistency of Allied professions and policy—Implication of America's weakness—Japan's anti-Allied propaganda—The coming reaction—Japan's unpopularity with the Chinese—How it may affect post-war business—Japan's capital in China is force—The moral issue—Effects of the coöperation idea on American trade in China—Its military aspect.

ONE of the most remarkable political phenomena of modern times has been the singular blindness of Americans regarding certain conditions in the world, and their no less singular disinclination to take any steps to protect their own national life and interests from the operation of some forces born of and reared by those conditions. For instance, the attitude of Americans toward armaments. Nothing but being dragged into war by the scruff could make the American people, and the Government, realize the necessity of increasing their armaments and military efficiency. They were slow to read the lesson, in an armed world be not unarmed. The reluctance with which Americans have accepted and acted on this lesson can be scarcely comprehended by any except Americans, for few other peoples had such a naïve frame of mind about world affairs and tendencies. But having at last, perforce, accepted it, and being in the way of acting on it by developing a military and naval power commensurate with the national strength and position, Americans will not be apt to unlearn it when peace comes. The lesson will be too costly to be easily forgotten. If the peace that Americans in their own minds fought for does not succeed in suppressing militarism,—and militarism will not necessarily be suppressed merely by defeating Germany, as many loosely think,—then without doubt American military and naval power should be maintained at a degree that is required by circumstances. On the other hand, if peace results in a genuine suppression of militarism, not just a transfer of military ascendency from one power or group of powers to another power or group, then there is the other question to deal with—the moderation or suppression of war-causing phases of economic competitions.

Militarism and economic imperialism go hand in hand. They are interdependent. Each breeds the other, and each sustains the other. Plainly, economic imperialism is not possible without imperial militarism to back it up with force or with the threat of using force. Also, without the increments by economic reflex resulting from this use of militarism, or promised by governments as a result from it, peoples almost surely could not be induced to bear the fiscal burden of excessive armaments. Applying, now, these principles to conditions in the far East, it is evident that, if the peace brings a suppression of militarism, and also a suppression of the use of force through militarism to promote policies of economic imperialism, China's foreign commerce can pursue a normal and unintimidated course. On the other hand, if militarism is not suppressed or if it is only slightly moderated, then we may look to see the idea of economic imperialism persist for a time in respect to the economic development of China. This is a possibility that American commercial and financial interests having thought of China must not ignore. The reaction on British and French economic policies of German military efficiency and its meanings is shown by events and tendencies. As for Japan, both her military and economic policies were long before the war frankly modeled after Germany; and since the war began they have steadily been applied on the German system until very recently, when changes of conditions have begun to circumscribe this method in its application to China.

In respect to American trade in China, it has followed an unusual course since the war began. By the gradual cutting-off of Great Britain and Europe as sources of supply for manufactured articles and also as markets for the products of China, there has been a tendency to obtain such commodities from America and also to send raw and other products of China to America. In many manufacturing lines the war made America the manufacturer for the world, for that country was the only place where many staple commodities could be obtained quickly. But this trade expansion has phases that demand attention of the American business and manufacturing world and also of the United States Government. A considerable volume of this new trade has passed through non-American hands, being handled in China by British, German (before America and China became belligerents), Japanese, and other foreign firms. Almost without exception these foreign firms are also agents of similar British, German, or Japanese commodities, as the case may be. Rather than lose business, they will sell American goods for the time, and probably will sell them hereafter if their customers insist on having the American goods and no other. But after the war, when similar commodities can again be obtained from England, Europe, or anywhere, what is likely to happen to this new and expanding American trade if it is left in non-American hands, and subject to conditions of transport and market dominated by other nations?

I do not believe in or advocate a narrow intensively national system of economic development. I would prefer to have those conditions that helped to cause the war eliminated as far as possible. In my opinion too strict and close application of nationalism in trade, as in social relations, is not conducive to amicable international sentiment. The spirit of it is wrong. In our small dealings it is unpleasantly restrictive and narrow to have to stop and think, whenever anything is to be bought or sold, of the nationality of those whom we may casually like to deal with; when buying a hat or when selecting the materials for our shirts. Americans never have followed that policy. We feel inclined to resent any tendency of nationalism which invokes us to adopt it. But we also should resent its application by other nations to ourselves. Americans have felt the same way and thought much the same way about militarism among nations. Therefore, if other powerful industrial and commercial nations that are the competitors of America pursue the imperialistic theory of trade expansion, or if they shape their economic policies on that line, then American industry and trade without doubt will have to meet that condition by adopting similar or contravening methods. If we are hereafter, or for a considerable time, to live in an armed world, then America must be armed as powerfully as any nation is. If after the war there is a possibility that the intensive nationalistic thesis is to direct international trade, then Americans should be forewarned, and should prepare to meet this condition by a closer economic organization within their own nationality. It will not suffice in such a world to get rid of the hyphen in respect to our political and military organisms if we continue to retain the hyphen in the ramifications of our foreign trade development.

From the time when Japan's propaganda first advanced the idea of a Japanese-American financial and commercial cooperation in China, American business men and organizations in China showed a strong, even a bitter antagonism to the plan. They regarded it as a subtle scheme to undermine America's moral position in China and to hinder and limit the progress of American trade and enterprises. Writing in "Millard's Review," September 1, 1917, I commented as follows:

Very astute and persistent efforts are being made to tack hyhens of a subtle and objectionable character to the development of American interests and trade relations with China. Prominent among them was the so-called Shibusawa plan for the "cooperation" of Japanese and Americans (or Japan and the United States) in China. That plan is gasping for breath now, if it is not already dead. The only sound basis it ever had was a presumption founded on Japan's dominating military power in this region, and the use of that power to push a policy of economic imperialism. One understands why, if Americans should see a good business or industrial opportunity in Japan, that it would perhaps be desirable and it might be necessary (as without doubt it is) to cooperate with Japanese. One understands also that, in such a case in China, it would perhaps be desirable (although, since China has not developed militarism nor economic imperialism, yet, this is not *necessary*) to cooperate with Chinese. But the Shibusawa plan insists that for Americans successfully to enterprise in China, Japanese cooperation (which means the consent of Japanese militarism) is essential, while by that plan Chinese cooperation (or feeling) is regarded is negligible. If the Shibusawa plan, as it was originally conceived and advanced, is not dead, it ought to be. It is a piece of economic and diplomatic fustian whose roots are planted deeply in the "militarism-economic imperialism" doctrine, and whose political concepts lie in "special position" and "paramountcy" phrases in the mouths of diplomats and propagandists.

It ought not to be needed to say (yet one feels that it has to be said) that in this criticism of Japan's previous policies toward China, with their effects and consequences to other foreign interests here and to China, there is not meant any feeling of opposition to whatever Japanese trade expansion in this region or in the world can be accomplished without exerting in its behalf a combined militarism and economic imperialism. This is an issue as between two absolutely hostile theses of international polity; an issue which, forced on by Germany, probably was the principal cause of the great war. Yet it is necessary to state these matters clearly, and to reiterate them frequently and in various aspects in order to drive them in, because without doubt the American commercial world is not fully wakened to these conditions; and also because American commercial interests in China have scarcely yet grasped more than the outside of the meaning of events, and still are under the influence and the shadow of the economic imperialism of Japan and other nations. This influence and this shadow are falling away, but they persist with astonishing psychological vitality with a considerable part of the American business world. Until they are completely thrown off, or reduced to just proportions, American foreign trade and financial enterprise will not be standing on its own foundations; it cannot take its proper part in building up the national wealth, power and prestige.

As giving a remarkably accurate and comprehensive epitomization of the sentiment of Americans and other foreigners living in China toward this Japanese-American coöperation idea, I here include a letter which is self-explanatory. I omit the writer's name, not that I think he would object to its being used, but because it is not feasible (he having gone into the interior of Asia) to ask his permission. When I left China late in 1918, American organizations in China were preparing to issue this letter for the purpose of advising chambers of commerce in America of certain conditions, and I gladly give it this additional publicity. The writer goes beyond the so-called coöperation plan in the scope of his comments, but a just analysis will reveal that the coöperation plan comprehends all of those matters in its true significance.

Shanghai, July 10, 1918.

Dear ——:

You will remember that when you were in Peking in January of this year you attended the annual dinner of the American Association, and that you were somewhat shocked and disconcerted to find the majority of us intolerantly critical of Japan and Japanese policy, and incidentally of the magazine [name omitted,] upon which some of the discussion turned. I remember that during the dinner you urged upon the members of the association the necessity of seeing both sides of the Japanese question before pronouncing upon it dogmatically, and that you also urged us to become members of the Asiatic Society, the publishers of [name omitted], so that we could make whatever criticisms we had to make as members from the inside, as it were, and not as an antagonistic organization. The members of the association had however framed its own conception of [name omitted] and of the policy of the interests supporting that paper, and would consider no such suggestion.

After the meeting, in a personal conversation which you had with me, you again emphasized the need of putting both sides of any argument upon Sino-Japanese or Japanese-American relations before all interested parties, and you asked me to enter into correspondence with the secretary of the American Association of Yokohama as the first step in an interchange of views between American residents in China and Japan. As you know, I left Peking within a few days of your return to Japan, which caused my resignation from the secretaryship of the American Association, and I doubt very much whether my successor, who is a newcomer in China and not so familiar with the trend of opinion among Americans in this country, was in a position to take up the correspondence suggested. Until our recent meeting in Shanghai it did not again occur to me that a presentation of the case of those of us in China who are credited with being unreasonably anti-Japanese would be of any particular value, but you have persuaded me this time that so little is known of political and economic conditions in this country, or of Japan's influence upon Chinese affairs, that a clear statement of the views of Americans in China and of the reasons for these opinions should be prepared for the benefit of Americans both in Japan and at home who are interested in doing business in the Orient or in promoting friendly relations between the American people and the various Oriental peoples. Of course there will be nothing official or final about my ideas, but I shall try to present the opinions which I know are held by the majority of Americans and Britishers here, and I shall finally submit this letter to several persons in whose judgment you have faith and let them delete anything with which they do not agree.

The matter which we discussed during our last talk at the Carlton Restaurant was of course the question of American-Japanese coöperation in the development of the trade, industries, concessions, etc., in China. This coöperation scheme, which is now supported by many big American interests and by some of the most reputable business men in Japan, has aroused the bitterest possible antagonism among Americans in China, as you have probably discovered, apparently for the sole reason that we are prejudiced against Japan and that we are therefore opposed to having our judgment upon Japan reversed by Americans at home through a Japanese-American trade alliance. The average American casual traveler in this country comes to the conclusion that we oppose the coöperation scheme because it discredits what appears to be an unreasonable and unreasoning dislike for the Japanese, and that our opinions can therefore be safely ignored by the practical business folk who want to see American business expand in this part of the world.

In the eyes of the tourist Japan is clean, comfortable, progressive, and prosperous, while China is dirty, corrupt, uncomfortable, backward and squalidly poor. In Japan the distinguished guest is motored up to modern buildings through arches bearing laudatory inscriptions, is received by intelligent officials who discuss everything that interests him intelligently, and who are solicitous for his comfort and entertainment while in the country. In China the same man wades ankle-deep in mud, gets pockets full of bad money, finds Chinese persons whom he wishes to see only after diligent search through gloomy and crumbling buildings, and may then be indifferently treated by an opium-smoking idler who owes his place to political corruption and who is interested in nothing so much as in ending the conversation and in getting his visitor off the premises. Naturally the visitor cannot understand why or how any reasonable person could ever object to Japan, who alone seems to be successful in getting things done in China, taking China over bodily, and cleaning it up in the interests of America and all other nations which hope to do business in this country.

We have all had the same experiences and have gathered the same impressions upon our arrival in the East. We have all admired Japan and have cultivated a huge contempt for China during the first few weeks of our sojourn in the Orient. But incontrovertible the fact remains that, of those who have lived three years or more in the country, fully ninety-five per cent have acquired not only a sentimental liking for the Chinese, but a great faith in the capabilities and future of the Chinese people, which seems blind and fatuous to the visitor, and also a cordial dislike for the Japanese, which the new-comer can explain only as a malicious prejudice. The reasons for this would fill many volumes if fully stated. The personality of the Japanese whom most of us meet here is of course objectionable, but we all realize that the commercial and political adventurers who come to China are not representative, and we are not unreasonable enough to condemn the whole people on these grounds. The extracts from Japanese papers which appear in the English press are often anti-American, imperialistic, extremely egotistical, and complacent, and almost invariably opposed to the democratic standards which the Anglo-Saxon peoples support. The Japanese press naturally fans prejudice and antagonism, just as the Japanese whom we meet confirm prejudice; but the essential reason for our consistent damning of the Japanese is the unscrupulous and immoral China policy of the Japanese Government, and the confirmed tendency of Japanese commercial interests to occupy and hold every vantage-point which the Japanese Government gains in this country through coercion or corruption. No one ever hears a word of criticism in China of legitimate Japanese enterprises which are legitimately established and which enter into legitimate competition with the interests of other nations. If Japanese trade and Japanese imperial policy were entering this country through separate channels and through independent tactics, there would not be the slightest opposition to Japanese commercial expansion here or to an American trade alliance with Japanese commercial people on any scale. Unfortunately, however, nearly every Japanese commercial move brings in its wake a political invasion of some sort, and every political imposition upon China or upon the interests of others in China is complacently regarded by the Japanese traders as a legitimate opening for their expansion.

Japan's political policy in China is now no less objectionable than it was in 1915. Then it was one of coercion, of frank jingoism; now it is one of corruption through alliance with purchasable Chinese officials who are put in office and kept there by Japanese influence. The latter is certainly a much more insidious policy than the former, and more dangerous because it does not attract the attention abroad which it deserves. You have been in Peking recently, so there is no need to remind you of the loans which Japan is negotiating with the official clique in the capital, or to dwell upon the character of these loans. You know as much about the Sino-Japanese military alliance of recent date as we do here, and you know that the sole purpose of that agreement, apart from the incidental advantage which it gives Japan of controlling China's military resources, was to make China's declaration of war against Germany somewhat more ineffectual than it already was and to obviate the last possibility of China being of service to the Allies and of thereby gaining any prestige which would stand her in good stead in the course of a hypothetical post-bellum settlement of Sino-Japanese disputes.

You know quite well from what you have seen for yourself in China on your various visits and from what your numerous well-informed friends in China have told you at various times, that Japan has taken every possible step during the four years of this war to ruin China by creating and sustaining trouble, by financing the most objectionable elements in every community in which she has been interested, by the employment of agents provocateurs, *by the encouragement of the use of morphine over large areas, by the use of Japanese immoral women in Chinese official households, by the protection given to bandits and other outlaws, by the wrecking of native banks, as in the recent Mukden case, by the corruption of officials through loans, bribes, and threats; and by the wholesale misrepresentation of Allied war aims and the most vigorous efforts to prevent China from coming into war and then later to discredit the country by preventing China from being of any use or service to the Allies. You also know that during these four years, which have been publicly heralded as Japan's years of opportunity, it has been the distinct object of the Japanese to gain a monopoly upon political influence in China, and at the same time to make openings for Japanese trade which would give the Japanese commercial folk as strong a commercial monopoly as possible. And in every instance in which the Government has created an opening through political manœuvering, seldom creditable, the Japanese business man, said by his defenders to be opposed to the truculent and unscrupulous policy of the Japanese Government, has been only too ready to take advantage of the opportunities offered to drive in the trade wedge, whether the trade was in legitimate imports and exports or in morphine or cocaine or women or Chinese cash or the rights and liabilities of the Chinese people.*

Not only has Japan been working against the present interests and future good of the Chinese people, but her policy in China has been deliberately shaped to undermine the trade, influence, and prestige of the Occidental peoples, nominally her Allies, throughout the East. Every ideal which we have developed and announced as participants in the present European War is disowned or discounted in the Japanese press and by Japanese propagandists among the Chinese; and in actual diplomatic practice Japanese officials in China have practised every subterfuge and committed every diplomatic crime with which we credit the Germans, and have invariably been supported by the home Government and encouraged by their commercial representatives in China.

It is our business in the East as Americans or Britishers to make the Chinese believe in our announced war aims and purposes and to convince them that we are sincere and are therefore entitled to their loyalty and support against Prussianism. The Chinese do not understand what Prussianism is, but they do understand Nipponism, and it is very difficult to persuade them to give us their whole-hearted moral support when we give countenance by commercial and diplomatic alliances in this hemisphere to policies which are identical with those which we condemn under another name and which we are eradicating from another hemisphere, remote from Chinese interests, by the expenditure of so much treasure and blood. The Chinese have seen the most unscrupulous policies succeed in their country, carried out to their shame and humiliation without a murmur or a whimper from the Allies. They see the Japanese brand of Prussianism succeed in this part of the world without palpable opposition, and they have nothing more than our word for it that it is not succeeding elsewhere. They have heard and have digested all the statements of our high ideas about the protection of weak nations from alien interference, and they have waited for us to prove our consistency by bringing our Japanese ally in line with these ideals, until they are convinced that we are either afraid of Japan or that we place no value upon consistency. In Chinese eyes and the eyes of all other Orientals, including the Japanese, we either are too weak to make our announced international policy effective, or we are satisfied to make it effective where it is expedient and to close our eyes to violations of our political ethics, perpetrated by a recognized ally, whenever it is inexpedient to interfere.

Although the notorious Japanese twenty-one demands have now receded into history and although much of the rancor which they aroused has been softened by time, this conspicuous Japanese attempt to take advantage of the preoccupation of the Allies and of America is one which we cannot and must not forget. The principle of the protection of the weaker nations to which Japan is supposed to have subscribed was never more flagrantly violated, nor could the Allies who had put their faith in Japan as their far-Eastern agent have been more insidiously betrayed. Japan has pretended to regret this incident and to have had a change of heart but you will note that Japan has not renounced any of the special privileges acquired, nor has she canceled the clause in the treaty in which she reserves the right to revive at a future date the particularly offensive "Group V." If Japan were to renounce the spoils while she deplores the methods of a former ministry, we might have some faith in the alleged change of heart. As it is we must continue to keep alive the memory of the twenty-one demands, and call Japan to account, when the opportunity arrives, for flagrant violation of past treaties and of present international ethics. Whenever we think of allying ourselves in any enterprise with the Japanese we must remember that they still hold, and insist upon holding, the fruits of the diplomatic move that was so treacherous that the highest statesmen in Japan were ashamed to own it, and adopted the unprecedented expedient of lying to the whole world.

To come back to the question of Japanese-American coöperation, a commercial alliance with Japan would now emphasize our inconsistencies, would prove us willing to overlook all the outrages which Japan has perpetrated against China and against us during these four years, and would be tangible evidence of an American sanction of Japanese political and commercial methods and of a willingness to participate in Japanese spoils. I do not believe that if the American people saw the coöperation proposition in this light which is the light in which we all see it out here, they would sanction such coöperation; for I believe that the American people have too high a standard of both commercial and of international honor and are too sincere in their present war aims.

These arguments are, however, based purely on moral grounds, and the appeal is not strictly practical. I know that to prove to the business man that Japanese-American coöperation is bad business one has to demonstrate that it is not only immoral, but inexpedient and unprofitable as well. When [name omitted] first arrived here as a representative of [name omitted] he argued that while it would be no credit to us to enter into commercial relations with the Japanese, it was essential, because America either would not or could not afford sufficient protection to business in a country like China, where investments were precarious, to warrant the investor in putting up his money, while Japan always took care of the interest of her subjects and would protect American interests as well as if they came in under the Japanese standard.

Now, such an argument as this should be sufficient to shame most of us into disclaiming all connection with the coöperation scheme, but since [name omitted] came out here with that idea, and since the representatives of several big American corporations in this country have been known to make similar statements, it must be assumed that there are great interests at home controlled by men who are either ignorant enough or shameless enough to make such statements and to believe them, and who are willing to do business under such auspices as the Japanese would provide in China, if there was any profit in it.

Obviously the thing to impress upon these people, to whom one cannot plead justice or morality, is that Japan's power to get business and protect it in this country is a power which cannot possibly survive the war if the East is again thrown open to free competition, because the methods and policies by which her influence is acquired will not be tolerated for a day by any other nation when Europe is at liberty to think of something other than the war in France. Japan's prestige among the Chinese has been acquired by force and corruption, and is not founded upon superior knowledge of the country or of the people, as the Japanese are fond of telling the American business world. While Japan is using her purchased official puppets in Peking to acquire control over Chinese liberties and national properties, she is arousing among the Chinese people a bitter antagonism which will not be forgotten in generations. Remove the coercive power behind Japanese enterprises and the element of corruption from Sino-Japanese official relations in Peking, and Japan's good-will in this country will not only be worthless, but a tide of reaction against the Japanese will set in which would not only hamper Japanese trade in China, but will handicap every line of enterprise allied with Japanese business men at a time when the latter are earning as much opprobrium as profit. America would certainly share in the opprobrium, whether or not the Japanese see fit to make any division of the spoils; and when the time comes after the war for putting an end to the Japanese practices which are so inconsistent with our war policies and with our Anglo-Saxon conception of fair dealing that we must make war upon them in one way or another to prove our consistency, American commerce will and should be involved in the collapse of Japanese trade and will be equally discredited throughout the Orient. Our only asset in this country in the past has been Chinese good-will. We could always get nearly as much from the Chinese by asking for it as the Japanese could get by force or bribery, and if a check is put upon Japan's present policy in Peking, this Chinese good-will will still be a most valuable asset, unless at that time we have sacrificed it by becoming implicated with Japan.

Nearly every military and naval authority who has been in the East recently has assured us that Japan is no longer a military menace, that her military resources in a modern war would be exhausted in six months, and that she has not the wealth or the developed industries to maintain an army in the field for long even if she were given ample time for preparation. We are told that the European and American governments no longer entertain any fear of Japan's possible movements, and that any false step on her part could be checked with very little effort and expenditure at almost any juncture.

This means that we have no reason to fear Japan, as both Japanese and Chinese seem to believe we have, and that when the vast Occidental armies now in Europe are at liberty to set elsewhere, there will be no difficulty in impressing upon Japan, if it is necessary, our disapproval of her policy on the continent of Asia, or of the advantage which she takes of our preoccupation in these four years. Consistency and honor demand that we must have some settlement, that Japan must be checked and corrected in some way. Those who have been storing up data in the various foreign offices, who have been keeping elaborate records and files, and have also been storing up indignation for four years, are going to insist upon some sort of a settlement, and the enormous growth of the military power of America and Great Britain insures that it will be possible to dictate to Japan where and how her reform shall begin. There is little reason to doubt that it will begin in China, and that the end of the war will mark the end of the present Japanese tactics, *and at the same time the end of the peculiar trade advantages dependent upon them which Japan is offering to America as her share of the capital in a coöperation scheme.*

The advantages which Japan's partners would enjoy for the period of the war would then disappear, and the disadvantage of having been allied with an unscrupulous bully would begin to appear. I cannot see how any one familiar with the trend of opinion in the East and in the various foreign offices at home, unless he is either extremely short-sighted or content with a brief period of exploitation, can hope for any advantage or profit from an alliance with an unscrupulous nation whose Nemesis is fairly upon it.

The only reason that Japanese policy in China is not now as well advertised and as cordially denounced as German policy in Europe is that those who have not yet realized Japan's powerlessness to do us any harm consider it expedient to reserve judgment until after the war. Any one who would now propose a commercial alliance with the Germans in Belgium or Poland would have short shrift; but there is no reason in the minds of most of us out here who have a daily opportunity to read denunciations of German policy and to consider with what remarkable fitness could we substitute "Japanese" for "German" wherever the latter word occurs, for showing any more consideration for those who suggest a commercial alliance with Japan for the exploitation of China; and we do not believe that much more consideration will be shown when the war is over and the Allies are free to put into practice here the theories and ideals which have been evolved from their experience with the Germans.

The suggestion which you made of allying ourselves with the Japanese in order to correct them, of taking them into partnership so as to educate them up to our standard of international decency and fair play, is also subject to an odious comparison with a similar hypothetical proposition to take the Germans into a close alliance in the development of much abused European states for the benevolent purpose of humanizing and educating the Germans. It is not our Western practice to join bandit forces in order to show the bandits the errors of their ways, nor do we take our outlaws into our armies and make officers of them, as the Chinese sometimes do, in order to avoid the painful duty of settling with them. If the sins of the Japanese, political and commercial, were due entirely to folly and ignorance, and if they were in a sufficiently modest state of mind to accept tuition, some such suggestion as yours might seem a particularly charitable and kindly one; but, as you know, the egotism of the Japanese military party, which now controls the nation's policy, is rivaled only by the ambitious scope and brutality of that policy, and the Japanese Government will never accept teaching or improve its international manners voluntarily until it has been demonstrated that better behavior can be forced from it. The Japanese are a people, or rather the Japanese Government is a Government, which we cannot take into our arms, but must take by the ear. When the time comes for such treatment to be administered, as it must come if our present war apostles are not hypocrites, we do not want to see our American business men taken by the ear also for being caught in bad company, and I do not believe that if our American business men fully realized what they were in for, they would want to be caught under any such circumstances.

After this war is over, we are going to be in as good a position to command the Chinese and Japanese respect for our vested interests in the Orient as any nation on earth, and if we are then tied up with a chastened and disgraced Japan, we shall be carrying a discreditable burden instead of working with an ally. We do not want any monopoly or any unusual privileges in this part of the world. We shall be amply satisfied with equal opportunity, and we shall be in the best possible position to insist upon equal opportunity both in our dealing with China and in our relations with the other powers if we do not besmirch our reputation now by joining Japan in her filching exploits behind the world's back.

China as a nation is now chaotic. The people of this country, who have given the whole East their civilization and whose industry has been the foundation of much wealth and power through many ages, have just emerged from a long period of darkness and have not yet found themselves. They are working very slowly toward a realization of democracy, of which they have just sufficient conception to keep them groping ahead, and while they are reaching out they are being devoured by a parasitical official class, totally lacking in all sense of responsibility, ambitious only for the wealth which they can strip from the awakened slumberer before he rubs his eyes, and now sold, body and soul, to the Japanese expansionists, who are interested in keeping the befuddled giant tormented and distracted while they get the pickings from his pockets away from the official pilferers.

Toward such a people the Americans and the British, who have been educated for a good many centuries in the morality of fair play and of giving every one a chance, should be particularly sympathetic and helpful, and should at least use what power and influence they may have over the tormentors to restrain them. All that China wants is that time to come to herself and a chance to work and fight out her problems in her own way, the right of a weak nation to develop her strength and her national character without malicious interference. If the Japanese hand were withdrawn from the support of the evils which are dragging China into deeper and deeper humiliation every day, the Chinese people would be free and able to fight them and eventually to conquer them, and to set up a clean and substantial government under which all the protection that any of us need would be afforded without the necessity for disgraceful and compromising alliances.

. . . .

This very long letter does not exhaust any of the questions with which it deals, of course; and, because the subject is so big, it is almost impossible to cite illustrations and proofs for every statement; but if there is anything in it which you feel inclined to challenge, I suggest that you call upon [names omitted] to supply you with illustrative cases, citing places, dates, etc., and I am sure they will swamp you with evidence. I trust that you will have a pleasant trip in America and that you will find opportunity to tell a few people at home just how we look at things out here. You might always add with truth and accuracy that these opinions are not held by Americans alone, but are shared by Britishers in particular, and by virtually all other Occidentals in general.

Yours very truly,

As an example of how other foreign business in China felt regarding the Japanese-American coöperation scheme, may be quoted some comment of the "Peking and Tientsin Times" (British), in its issue of January 9, 1918:

Now most of us in the Orient would rather not do business than to do it on these terms. The rest of us might be willing to shelve our scruples and turn our trade over to Japanese agents if we thought that the benefits to be gained would be permanent. None of us in the Orient believes now that Japanese methods or Japanese prestige are going to outlive this European war. As long as we believe that the Allied and American governments are sincere in the announced principles for which they are fighting, and as long as we believe in their ultimate victory, we must believe that both Japanese influence and Japanese methods in this country are going to be effectually checked after the war. While we have this faith we must also believe that any American interest allied with Japanese interests and established by Japanese methods will be subject to the same check. If we had not this faith we should still be loth to believe that American interests entrusted to the Japanese would be handled to the ultimate profit of anyone but the Japanese. American money will be used to establish a Japanese trade monopoly in China. If the post-bellum readjustments do not make an end of Japanese commercial policy in China, as we believe, then American money will have helped Japan to establish a system which will put independent American, British and French trade in this country at the mercy of Japan, and will leave the Japanese free to crowd their American partners out of the cooperative scheme at their earliest pleasure. It must be clearly manifest to every American in the East that the cooperative scheme is commercially immoral in the first place, and that apart from all moral issues it is fatally shortsighted, no matter how conditions are adjusted after the war.

The coöperation plan has also strategical military aspects. I quote from a report made by a military expert in 1917:

> The example set them by the previous attempts at business cooperation (in China) between the British and Germans, and its attendant dangers, seems to have had little or no effect upon American business men, for they are falling into the same trap set by the Japanese. Let alone the utter foolishness of the arrangement viewed from a business standpoint, considering that big business of all kinds in Japan is under the dictation of the Japanese Government to a greater degree than it is in Prussia, there is the additional point of assisting financially what we may assume to be a potential, if not a certain enemy. From the military standpoint, everything possible should be done to discourage such cooperation.

While I agree with the estimate of Japan's policy toward China given in the letter previously quoted, I feel that the writer's justifiable aspersions of corrupt Chinese officials who have for their own pecuniary gain been willing and conscious agents of Japan's schemes may create a wrong impression. The writer of the letter omits (he could not be ignorant of the facts) to mention that class of Chinese officials outnumbering the venal ones, who through all this period have resisted attempts to corrupt and intimidate them, and who never have relaxed their efforts to protect their country.

As to the purely business aspect of the coöperation plan, I never have met an American business man who had five years' experience in the far East (I don't mean a long-range connection) who did not believe that coöperation with Japanese in China will be as detrimental to the balance-sheet of American business, as it plainly is inimical to any just interpretation of American political purposes and commitments there.

CHAPTER XI

THE OPEN-DOOR POLICY

Definition of the open door—Talk with Viscount Motono—China, Japan, and America—Monroe Doctrine and Hay Doctrine compared—Their principles identical—The Japanese Monroe Doctrine for China—False analogies—Causes for failure of the Hay Doctrine—Nullified by private agreements—Japan and the open door—Manchuria a test case—Japan's discriminations there—Spy and police systems—Making it unpleasant for other foreigners—Influence over Chinese officials—Reactions from the Lansing-Ishii agreement—Japanese interpretation accepted—Special antagonism to Americans—Incidents showing Japanese contempt for Europeans—Case of British woman missionary—Japan exercising sovereign authority—Summary of methods handicapping American trade in Manchuria and Shantung—The mail and shipping matters—Views of American organizations.

WHAT is the open-door in China? Broadly speaking, it is a political principle designed to apply to international commerce; and like a contract, it must be construed by the adjustment of particular instances to the basic principle of the agreement. I have not seen any really authoritative or official definition of the open door, but I have my own idea of what it is or should be in its application in China. In September, 1917, I passed through Japan en route to America, and I had a talk with Viscount Motono, then Japanese minister of foreign affairs, at Tokio. It was understood, at Viscount Motono's request, that the conversation was private and that I would not publish what he said, which I have not, although, as a Japanese diplomat who was present afterward remarked, there was nothing said that might not have been published without any impropriety. However, I did make a confidential memorandum of the conversation, and it may be interesting now to quote a few paragraphs from it.

I said that, by way of opening the conversation, it would be well to find out where we were in agreement and where we disagreed, and to that end I would beg to state some of my own opinions. I said that in my opinion it was of little use to try to bring a genuine improvement of the situation embraced in the triangle of Japan, China, and the United States, with the questions arising from that juxtaposition, until these nations were fully agreed on the definition of treaties; and definition of treaties means a definition of terms. I felt that there could be no real understanding until all the nations that have subscribed to the open-door and integrity of China principles were agreed as to what these phrases mean in practice. There cannot be any real sympathy between Japanese and American policies toward China as long as, for instance, Japan understands the open door to mean one thing and the United States understands it to mean something else, or while Japan places a construction on the integrity of China that works out diametrically opposite to the American theory.

Viscount Motono replied that he agreed with that statement, and he asked me to give my definition of the open door as it should be practised.

I then stated that I understood the open door to relate particularly, perhaps exclusively, to commerce in China and with China, commerce to include, of course, all financial and industrial enterprises which are directly or indirectly a part of general commercial operations. My idea of the open door in commerce would be, to give a concrete example, if British, German, Japanese, and American firms were competing in China, trying to sell railway supplies or machinery for a factory, this competition should be confined strictly to legitimate business methods and should be determined on that basis. If, for instance, a Japanese firm found itself defeated by one of its competitors, it should not be able to invoke the further support of the diplomacy of the Japanese Government, applied by means of pressure backed by force or by the implied or actual threat of force, or of any diplomatic reprisal against

China. My idea of a real open door in China would inhibit the method that is coming to be called economic imperialism. I said that it had not been the practice of the United States Government, even in regions where the Monroe Doctrine is held to apply, to sustain the commercial efforts of its nationals beyond the point of legitimate and open aid of the departments organized for this work (consular and commerce), and consequently such extra methods by other governments in China or elsewhere placed American enterprises at a disadvantage which could not fail to cause irritations, and to be provocative of a similar diplomatic policy by the United States, a situation containing serious possibilities for war, and which had caused a good deal of irritation in the relations of Japan and America.

Viscount Motono replied that he agreed with this definition of the open door, which has accorded with the policy of the Japanese Government.

I said that I could not feel that the relations of Japan and America vis-à-vis China could proceed harmoniously as long as Japan was disposed to pursue a policy of economic imperialism in China and was disposed to assert or to claim a special position toward China or any kind of paramountcy in China in a political and economic sense. Of course it would follow naturally that the development of international trade with and in China would proceed unevenly as among competing nations; that some nations, having special advantages of location or otherwise, would gain over other nations by legitimate process. Americans could not object if for those reasons they were unable to be the first in helping to develop China. What they do want, and should demand, is equal opportunity as to the conditions of international trade with and in China, subject to no discrimination or preference except such as might be voluntarily instituted by the Chinese Government by formal treaties and for sufficient reasons relating to China's own just requirements. I further said that as a resident of and a friend of China I must regard as being invidious to China, and also injurious to the status and development of American interests there, any policy of ''peaceful penetration'' there by any foreign nation which aimed at, and would have the effect of subordinating, the economic development of China to the control of foreign nations, and I must sympathize with the natural objections of Chinese to such a process and aid them in resisting it.

Viscount Motono replied that he recognized that the commercial theory known as economic imperialism is doomed by the defeat of Germany, and Japan is prepared to abandon it if the other principal nations will. He remarked, as explaining Japan's seeming adoption of that policy, that Japan had done this in self-defense, as a precautionary measure. He felt that such a policy would be inconsistent with the status of international relations that was being aimed at by the Allied nations opposed to Germany, and Japan was ready to do her part in bringing a better state of affairs.

I said that in respect to the integrity of China I could not regard any assertion or claim by Japan of a special position or paramountcy in China as compatible with a genuine integrity of China. I asked if the Ishii mission to America had any purpose to urge such a claim for Japan or to induce the United States to acquiesce with it.

Viscount Motono replied that the Ishii mission was not ended, and consequently it would not be discreet to speak of it too definitely before its results were known.

Although Viscount Motono has since died, I feel that no confidence is violated now in making public my recollection of his comments about the open door made less than eighteen months ago; indeed, after the interview—I sailed for America an hour after the talk ended—a Japanese diplomat told another man that the caution about privacy was not necessary, as nothing was said by Viscount Motono that could not be published.

In speaking to Viscount Motono on that occasion, I mentioned the Monroe Doctrine with a purpose. For several years past, and until very recently, Japan's propaganda has striven to compare Japan's attitude toward China with the objects, purposes, and results of the Monroe Doctrine. A falser comparison hardly could be imagined. In one of my previous books, "Our Eastern Question," published in 1916, I discussed the so-called "Japanese Monroe Doctrine for China" at considerable length, and wrote:

> Thus we see that the Monroe Doctrine was intended to accomplish two principal things—*(a) To preserve the territorial integrity and political autonomy of the weak American republics; (b) To secure and preserve in those countries the commercial principle of the Open-Door for all nations.* And when we look back at the record of history, from the enunciation of the doctrine to the present day, we see clearly that it has worked out that way.
>
> Suppose that the United States had used, or would hereafter use, the Monroe Doctrine to apply in South America a commercial and financial policy like Japan has practised in Korea and Manchuria, and which is embodied in her demands on China in 1915. Suppose that the Monroe Doctrine would be construed to mean that no railway could be built in South America except under conditions dictated by the United States; that no mines or other natural resources could be exploited there without the United States being first consulted; that no foreign loan could be made to any South American nation without the consent of the United States being first obtained, and except with American participation (whether Americans had the money to lend or not); that the United States must be consulted in all important industrial enterprises requiring foreign capital; that Americans must be employed as political, financial, and military advisers to South American Governments; that South American Governments must consult the United States when they want to purchase armaments, and must purchase a majority of such supplies from the United States; that when foreign capital is used to build railways in those countries, American managers must be employed, and the traffic rates be fixed so as to give American commodities an advantage over other foreign goods; that supplies used in railways and other utilities in those countries must be purchased in the United States, or be purchased through American firms; that American goods entering those countries will be given preferential customs rates; that Americans shall have a right to own lands and reside in all parts of South America, and

not be subject to the laws of those countries; that Americans must be heads of police in important South American cities; that South American Governments could not lease any of their own territories without first consulting the United States; that no contracts to build naval bases or harbor works in those countries would be permitted without first obtaining the consent of the United States; that the United States would have to be consulted when South American countries desired to change their fiscal systems.

Every condition I have enumerated, Japan already has put into effect in Manchuria, and wherever she has succeeded in establishing a sphere of influence. If the United States placed such a construction on the Monroe Doctrine, for how long would other Powers accept the doctrine without protest?

Is that how a Jap-ized Monroe Doctrine for China, and the Orient, will work out? Is what Japan is trying to do in China today rightly comparable to President Monroe's purposes when he formulated his famous doctrine? The Monroe Doctrine was designed to protect the political autonomy of the countries it covers, and to preserve the "open door" there, and has done it. *In short, the Monroe Doctrine, in its theory, and also in its practical application, is almost exactly what the territorial integrity and open door doctrines in respect to China are, as they were originally advocated by Great Britain, and afterwards formulated by the United States.* So there is already one Monroe Doctrine that applies to China—a doctrine which all the Powers interested in the fate of China have subscribed to, and which presumably is still binding upon them, since none of them has openly repudiated it.

Japanese have a completely different idea of the Monroe Doctrine than Americans usually have. In a recent editorial (February 13, 1919) on ''The Monroe Doctrine and Japan,'' the ''Japan Chronicle'' said:

> There are few political phrases which have been subjected to such contradictory interpretations as the Monroe doctrine To one group it represents a check on imperialistic aggression and a protection of democracy, to the other the predominance of a strong and powerful State over the others within its immediate influence. The Japanese invariably interpret the Monroe doctrine in the latter sense.

Analysis of the causes for the failure of the Hay Doctrine to solve the question of international political and trade rivalries in China shows that its weakness, or what made it in-effective, was that the powers that were parties to it, except America, also had other agreements with one another based on the sphere of influence thesis, and when a practical issue would arise, they invariably would give weight and authority to the private agreements rather than to the open international doctrine.[1] In short, a majority of the powers did not want the Hay Doctrine to work in practice, apparently believing that their own advantage lay in protecting by private agreements their own spheres and special concessions.

The history of the open-door doctrine may be divided into three periods: first, from its acceptance in 1889 to the Russo-Japanese War; second, from the conclusion of the Russo-Japanese War in 1905 to the great World War; third, from the beginning of the World War in 1914 to the present. The first period was marked by an apparent effort of several powers to readjust their policies in China in accordance with a genuine acceptance of the principle. The second period marked the appearance of Japan on the continent and the revival of the sphere of influence idea by all the powers excepting America. In the third period Japan played practically a lone hand.

Japan's policy in its relation to the open door in the years following the Russo-Japanese War, which gave Japan control of Korea and a strong foothold in Manchuria, is extensively reviewed by me in previous books (''America and the Far Eastern Question,'' 1909; and ''Our Eastern Question,'' 1916); but it was not until the Great War that Japan's policy was fully displayed. Prior to that time all the powers were jealous of their interests and positions in China, and were able to support them effectively. During the war, until near its end, Great Britain, France, and Russia were forced, or felt compelled, to subordinate their interests in

---

[1] A good example of this process is the defeat of the Knox proposal to neutralize railways in Manchuria, a full account of which is given, with the diplomatic notes, in Chapter I of "Our Eastern Question." Also see Appendix A.

China to more pressing exigencies, and the United States was disinclined to strong action in the East. In these circumstances Japan's policy came out in its true colors.

In a conversation I had at Peking soon after the Russo-Japanese War with the late W. W. Rockwell, then American minister to China and later ambassador to Russia and Turkey, we were discussing the situation in Manchuria, where I had just been, and he remarked: "Manchuria will provide the real test of the open-door policy." I have traveled in Manchuria frequently in the course of the last fifteen years and have considerable firsthand knowledge of conditions which in that period have existed there, and one is tempted to review them. But perhaps the best, and also the more credible, picture of recent events there as they touch the open door is found in the numerous reports of official agents of foreign governments who have investigated, and who have resided in the country. I shall quote from some of these recent reports, without stating how they came into my possession, except that in no case did I obtain them from the men who prepared them.

Dated, January 16, 1918.

Subject, Japanese Ways of Hampering Foreign Trade in Manchuria

I have the honor to state that the Japanese in Manchuria not only contrive special advantages for themselves in contravention of the open door principle—as reported from time to time—but they manage in various ways to hamper the commercial operations of Europeans and Americans through their control of public and quasi-public utilities, and through the questionable methods which they are willing to adopt in fighting foreign competitors. Their spy and police systems are very highly developed in this region and the movements of all foreigners are closely watched and reported to police headquarters. The information is given to the Japanese who are able to use it to the best advantage. Between the Japanese secret service men who pester travelers with questions and surveillance, hotels which pry into one's private affairs as well as baggage, telephone operators who report conversations, telegraph clerks who work similarly, the post office which opens the correspondence, and railway employes who cooperate with the rest, there is not much about the foreign business man which is not known to the Japanese authorities.

The most recent and interesting case in point is that of Mr. W. F. Thomas, agent of the Geo. A. Watson Tobacco Company of Danville, Virginia. He came to Manchuria last year to sell tobacco. Upon his arrival he remarked to an American that he had been followed by Japanese who were evidently bent on knowing all about his business and he expressed the hope that they would not pry into his trunks containing samples. The American replied that Mr. Thomas could consider himself fortunate if the Japanese did nothing more than examine his trunks; that they would not hesitate to steal them if they thought that this would hamper his business. Two days later Mr. Thomas reported that the trunk with all of his samples had been stolen while it was in charge of the South Manchurian Railway. In a letter of October 18, 1917, the Geo. A. Watson Tobacco Company described the incident as follows: "In August we sent our representative, Mr. W. F. Thomas, to the East to solicit business. In passing through Japan his sample trunk was robbed and every sample taken, the trunk being afterward returned to him empty. This happened between Mukden and Antung on or about August 21 on the South Manchurian Railway. Mr. Thomas seems to think that the robbery was committed by the people in authority for the purpose of discouraging American business houses seeking to develop tobacco business in Manchuria and China." This is by no means the first time that trunks or their contents have disappeared in this way, but the circumstances of this case are striking and suggestive.

Japanese hotels in Manchuria because of the large subsidies which they receive and their special railway privileges have driven most other hotels out of business. The foreign commercial traveler therefore is in some Japanese hotel during most of his stay in Manchuria and is obliged to depend on them almost entirely. Some of these Japanese hotels have lately shown an open and decided hostility to Americans. An agent of the Standard Oil Company of New York went to Supingkai recently—since the Ishii mission was accomplished, in fact—and was met at the train by a runner from the Japanese hotel who asked him to stop there. He went along with the runner and when he arrived at the hotel there was some inquiry as to his nationality. He told the hotel people that he was an American. The hotel people replied: "Oh, we thought that you were English; we are very sorry, but we have no room for you." He told them that any kind of a room would do, but they refused absolutely to give him any accommodation and turned him away. He related this incident to an American traveler for the British-American Tobacco Company who moves about a great deal in this region. The latter stated that he has been treated with so much contempt and discourtesy and rudeness as an American at the Japanese hotels in Manchuria that he had got the habit of registering as an Englishman, and was thus able to obtain accommodations and good service.

The attitude of the Japanese telephone company here is in keeping with the policy above described. The manager of the Standard Oil Company has been trying for more than six months to have a telephone installed. Two months ago the workmen went to the company's native agency, where oil is also stored, and announced their intention of putting in the telephone. They began the work shortly before lunch time and said that they wanted to cook their food on the premises. The Chinese agent refused to let them cook it where they wanted to because he was afraid that the oil might become ignited. The Japanese thereupon became highly indignant and went away, and refuse now to put the telephone in at all. This is not the only Japanese difficulty which the agent has had however. At another place he called for the long distance service in order to talk with the Tiehling agent, etc.

In a report from Antung some years ago, entitled: "Japanese Fraud, as it affects the open door," I mentioned the case of a British sawmill which was placed at a disadvantage in competition with the Japanese mills on account of certain Japanese fraudulent practices. Not long afterward the British sawmill was destroyed by fire under very mysterious circumstances. While nothing positive could be proven against the Japanese, there was excellent reason to believe that they were instrumental in causing the destruction. The same may be said of the fire here which destroyed the factory of the British-American Tobacco Company. Like the fires which are occurring now along the waterfronts of America, the fires above mentioned are difficult to trace, but the peculiar combination of circumstances just at the time of the conflagration are very suggestive to say the least, and the occurrence of these fires in Manchuria do not encourage the investment of foreign capital in enterprises here. [Other instances given]

While the blandishments of Viscount Ishii were calculated to show how carefully the Japanese keep the "open door" ajar, there is much evidence tending to prove that the fraudulent and cunning practices of the Japanese in this region destroy the "equality of commercial opportunity" which is supposed to exist, and make the "open door" more fictitious than real. Several reports in this regard have already been submitted and more are now in the course of preparation. Material in this connection is being constantly gathered and will be submitted from time to time in reports of this nature so that some adequate opinion may be formed as to just what extent the "open door" is really open under the auspices of the Japanese in a region where their "special interests" have now been formally recognized by the American Government.

Extracts from Report dated June 27, 1918

Referring to my despatches to the Department Nos. 113, 125 and 127, all sent through the Legation, I have the honor to further state that the Japanese enjoy special financial and commercial advantages (in Manchuria) not only according to the local Chinese practice, but according to theory as well. In a recent conversation with the (Chinese) Governor General concerning the failure of (Chinese) officials in this province to give Americans and Europeans the rights which are enjoyed by the Japanese, he practically said that Americans should be the last to complain, as we formally and officially recognized Japan's special interests in this region and that we cannot be surprised when they take advantage of such a declaration and demand special treatment and get it. I tried, of course, to give the Governor General the view of our recognition of special interests which our Government tried to offer, but he, like most Chinese, did not take the explanation as anything which really explained, and said that such a recognition of special interests must have meant something special and it implied that the Japanese had something which others could not expect to have, and therefore, why do we now expect it? I feel certain now, as I wrote officially long before we recognized Japanese "special interests," that such a formal recognition will prove to be extremely embarrassing when we come to demand equal treatment with the Japanese, and the conversation above mentioned indicates the effect upon the Chinese official mind which the recognition has had and which it is likely to have after the Japanese carefully foster such a belief on the part of the Chinese. While the American government carefully sought to safeguard our interests by emphasizing the equal rights which are enjoyed according to the "open door" theory, the reiteration of this oft-repeated statement did not impress the Chinese 1/100 as much as the startling recognition of Japanese special interests which they take to mean something very special that somehow places the Japanese on a higher political and commercial plane in the region to which this theory applies.

Enclosed is a copy of a letter about the special treatment of the Japanese as regards the financial situation here and a copy of the reply received from the Special Delegate for Foreign Affairs (Chinese). It will be seen from the latter that the Special Delegate shares the view of the Governor General that the Japanese are entitled to special treatment—probably because of their "special interests," although he does not expressly say so. He does say, however:

"The general conditions relating to the merchants and citizens of your nation (America) are not the same as those affecting the Japanese; therefore, they can be treated only in accordance with arrangements made for the Chinese. The method adopted is different, but there is nothing in contravention of the existing treaties."

That the Delegate for Foreign Affairs here should have the effrontery probably with the concurrence of the Governor General (for he seldom acts in such matters alone) to maintain in writing that American citizens are not entitled to the same treatment as the Japanese, is a matter of the gravest importance and calls for the most drastic diplomatic action, it seems to me. And this statement by him has been made in spite of the repeated and emphatic declaration on the part of this office that we demand and will insist upon equal rights.

The correspondence enclosed will also show that the Chinese authorities here, prior to June 8th, warned the Japanese Consul General about the danger of accepting notes issued by the Bank of Territorial Development, requesting him to notify the Japanese merchants accordingly. On June 13th he (the Delegate for Foreign Affairs) said that he was just about to write to this office in this regard. It is probable that he had no such intention, and if he did have any such intention the question arises as to why the Japanese Consul General should have the information so far in advance of all others. His letter to me was dated June 13th and received on the evening of that day, yet he says that all holdings of Americans (of the bank notes) should be reported to him before the 14th, an absolute impossibility.

When the Bank of Territorial Development was closed, its notes immediately dropped in value and many refused to accept them at any price. The Japanese, knowing that they were safe on account of their preferential treatment in such matters—as has been frequently reported by this office—bought the depreciated notes at a heavy discount, and foreign firms sold at a loss in order to avoid being loaded down with paper worthless to them. This office assured all Americans concerned that every effort would be made to have all notes redeemed for them on the same terms as for the Japanese, but they felt that the Japanese have such a hold throughout China as well as in Manchuria that there is no real assurance of equal treatment. When the Japanese flout the British and American governments, and British and Americans in China lose confidence in their governments' willingness or ability to protect them, it is, I believe, high time that some decisive and definite steps be taken to dispel such impressions and to maintain the dignity and prestige of these two great occidental nations. The Japanese also should be made to see that they cannot steal a march on their Allies in any such manner and obtain special advantages from the Chinese government and use them in driving out their western competitors. The enclosed correspondence and the letters in this connection received and sent by my British colleague are absolutely identical. We decided to take similar action in order to bring the greater pressure to bear upon the local Chinese authorities, and we now both agreed that all local resources are exhausted and have decided to present the whole matter to our respective Legations for settlement. The question has reached a very critical stage and requires the strongest kind of diplomatic pressure, as predicted in my previous despatches.

That the situation described in reports on this subject is incompatible with the "open door" theory is very evident. The "open door" in China is a trap-door for us to fall through when the Japanese are ready to release the spring. They are perfecting the apparatus from day to day and unless adequate steps are taken we shall assuredly be the victims.

As the Governor General and the Delegate for Foreign Affairs are thoroughly acquainted with the views of my colleague and myself, and as we have repeatedly expressed ourselves concerning the equal rights which we demand for British and Americans and, as both the Chinese officials not only disregard but scorn the representations which we have made, it is time for pressure to be exerted from above, if such a thing is possible. . . .

As the Japanese have secured a deposit of three millions gold yen to cover any loss which they may incur by accepting the depreciated paper currency here—a fact not denied by the Delegate for Foreign Affaris in his letter, a copy of which is enclosed—it may be that the Americans and British can secure a similar deposit, or that the suggestion of one might bring the Chinese to terms.

Some of the Salt Gabelle money, in fact, might be retained for this purpose in foreign banks. A proposition like this might readily solve the problem. Some solution must be found if European and American firms are to enjoy that "equality of commercial opportunity" which is supposed to exist.

It is most significant that, after the publication in China of the Lansing-Ishii Agreement and the interpretations given to that instrument by the Japanese officials and propaganda there, Chinese officials in regions with spheres claimed by Japan began to act in accordance with the Japanese conception of the agreement. Incidents of discriminations against other foreigners in Manchuria, and especially against Americans, were more numerous and provocative than formerly. These incidents became so frequent and pointed that the American consul-general at Mukden, on April 9, 1918, asked instruction as follows:

> As several Americans in this district have asked what attitude they should take toward the impudent and aggressive Japanese officials and spies in this region [Manchuria], I should appreciate some expression from the Department on this subject, which is likely to become very important. I see no reason why the Japanese Government should not be asked to instruct their detectives and other officials in such a way that their objectionable and insulting activities may at least be mitigated.

Another incident showing Japanese particular contempt for Americans in Manchuria occurred at Mukden in April, 1915, at the time the twenty-one demands were being pressed on China by the Japanese Government, and when the Japanese press was representing America as being opposed to the demands. This was a demonstration conducted by Japanese troops before the American consulate at Mukden, and was officially reported as follows:

> . . . the other party [of Japanese troops], two score or so, turned off the main street and proceeded to the American Consulate General. This is a group of old temple buildings with a raised gateway facing a rather wide street. This body of soldiers halted directly in front of the Consulate, and the commanding

> officer stood in the raised gateway directing them while they maneuvered for some fifteen minutes. The American flag was flying overhead. After a time the soldiers were marched away.
>
> It is to be emphasized that this demonstration took place near the climax of the negotiations over the Twenty-One Demands, just before Japan delivered her ultimatum to China and began to move troops into Manchuria. Further . . . it was the climax of a series of outrages [against Americans] by Japanese subjects, which had occurred during recent years in Manchuria, and for which I believe no real satisfaction had been obtained. These included an assault upon the American Consul at Dalny, an assault upon the American Consul at Newchwang, an attack upon the wife of the American Consul-General at Mukden. Of course these incidents all served the purpose of helping to convince the Chinese, who are so impressionable in matters of this kind, that America had given up interest in Manchuria, and even that America is willing to submit to what would appear to Chinese, at least, a deliberate and official affront.

The truculence of Japanese in China, and especially in Manchuria and Shantung has been growing ever since the Russo-Japanese War, but it attained a climax in 1918. The conduct of Japanese officials and troops in Manchuria led to many unpleasant incidents. I overheard a colloquy between British and American officials there.

"The Japanese act now as if they own this country," remarked one.

"Yes, only they would not dare act in Japan as they do here," was the reply, "for in that case the foreign governments would make a fuss."

One of the most striking demonstrations of this attitude of Japanese, or one that caused more than usual indignation among other foreigners, was the experience of a young woman attached to the Irish mission at Changchun. Her story, as reported in writing to the nearest British consul, follows:

> Irish Mission, Changchun,
> October 3rd, 1918.
>
> Sir,
>
> Yesterday afternoon I went for a walk. After a mile or two I struck the South Manchuria Railway line at a point I should

judge to be two or three miles west of Changchun station. There was a good path along by the side of the railway and I decided to return home that way as I had done before on several occasions without let or hindrance. I had gone about a mile and was just about to leave the railway line by a road running south towards the Mission House, when I met three Japanese soldiers coming from the direction of Changchun station. I was about to pass quietly on when one of them blocked my way and pushed me back with his hand, shouting something unintelligible. I thought that they were merely taking advantage of my being alone and unprotected to indulge in some horse play, so stood my ground. They could speak no English and only a word or two of Chinese. After a rather fruitless argument in which they were rude and unpleasant, I decided discretion was the better part of valour, and tuned to go back the way I had come only to find that way also barred by one of the other soldiers, who threatened to strike me if I attempted to pass. There was an embankment on either side. I protested that I must be allowed either to go back or go forward and was thereupon struck forcibly by the soldier in front. I regret I lost my temper and struck the man across the face with my walking stick. With that the three of them fell upon me. They broke my stick in two and beat me with it. They buffeted me about the face and head, threw me down and dragged me by the hair of the head. They pulled out quantities of my hair and broke my combs with the force of their blows. They then subjected me to a humiliating search, ostensibly for bombs, the details of which I do not care to enter into, and finally bound me with a rope and marched me to barracks. While standing in the barracks, bound in such a way that I was almost choking, awaiting the arrival of the superior officer, two soldiers from among the crowd which had gathered around me struck me across the face with great force. I have the marks of their blows still upon me.

When the officer arrived on the scene he ordered me to be unbound and brought into his office, and I must admit that from that time on, although I was detained for over three hours and interviewed by three or four officials, including the Vice Consul, I suffered no further ill treatment.

I should like to emphasize the following facts: That the part of the line where I was walking was nowhere near any bridges, munition dumps or war materials of any kind; that I was struck first by the soldier and that apart from the one blow in self defense I offered no resistance to arrest; that after I was bound and helpless I was stuck repeatedly on the head and face and was assaulted gratuitously in the barracks by soldiers who had not seen the circumstances of my arrest.

I can see now that to walk along the railway line under present conditions was a mistake as there may be regulations forbidding it of which I was unaware, but I had walked that way several times before without being molested. Granting even that my arrest was justifiable, the brutality with which it was effected and the unspeakable conduct of the soldiers subsequent to it were utterly indefensible and inexcusable.

Much as I resent the intolerable indignity to which I have been subjected I would be glad to avoid the publicity involved in bringing the matter before you, Sir, but I feel that it is my duty as a British subject to bring the facts to your notice. I have also sought the advice of the only Anglo-Saxon diplomatic agent at present in Changchun, W. M. Palmer, Esq., Commercial Attaché to the American Legation, who strongly recommends your being informed of the occurrence. I have therefore written you full details in the hope that you may be able to take the steps necessary to secure satisfaction for this and to avoid similar outrages against others of my countrymen resident in Manchuria.

I am, Sir,

Yours faithfully,

On receipt of this report, a British consular officer went to Changchun to make an investigation. He was treated rudely by the Japanese consul there, but he obtained most of the facts, which he reported to the British legation at Peking. As usual in such instances, the Japanese press tried to obscure and misrepresent the incident. The "Manchurian Daily News," organ of the South Manchurian Railway, published in its issue of October 22, 1918:

Another Unpleasant Affair Near Changchun

We are sorry to have to report another unpleasant affair, this time involving a British lady missionary at Changchun. The incident would have been passed over by us if the matter had not been carried to the British Legation at Peking.

On the 2nd inst., about 6 p. m., after the shadows of dusk sufficiently deepened as to make it difficult to tell the people's faces, the figure of some one taking a walk up and down the railway track at Shihipu, about three miles south of Changchun, could be made out. Lately the fish plates and rivets of the railway tracks had often been found removed to the menace of the railway traffic. The stranger was found to be a British lady missionary residing at Changchun, who, when challenged by one of the Japanese patrolling soldiers made as if to deal a blow on the soldier with a cane carried in hand. This only strengthened the suspicion of the Japanese soldier, and the lady was taken to the Railway Guard Office, then to the Gendarmery, and lastly to the Consular Police. The lady was found in a temper, but, it is said, finally owned her own indiscretion in strolling along the railway track after dark. She was allowed to go home without further ado.

It transpired later on that a complaint about an alleged insult to a British lady was lodged with the British Consul General, Mukden, who hastened in person to Changchun and saw Japanese Consul Yamanouchi, demanding an apology from the offending Japanese soldier. Mr. Yamanouchi expressed his wonder how it was that the lady who had owned her own indiscretion and gone home should lay a complaint, but promised to look into the truth of the case for himself. Mr. O'Brien Butler, the British Consul General, then returned to Mukden. Before hearing from the Japanese Consul at Changchun, a version of the incident, as rendered by the lady missionary, was transmitted to the British Legation, Peking, and the case was duly referred to the Japanese Legation people. Thereupon the Legation authorities asked the Consular people at Changchun for particulars, and the matter was very carefully gone into.

We should like to hear the story of the other side or at least some official account of the regrettable incident before committing ourselves to any remarks. However, we are nevertheless sorry that another unpleasantry should have thus been added.

It may be well for us to publish that a Japanese soldier on duty is only alive to duty and respects no person. This trait is one of the points that make the Japanese soldiers formidable. For instance, inside a war zone or even a closely guarded zone, any one who fails to respond to a challenge, especially after nightfall, made by a Japanese sentry or patrol will be courting the danger of being fired at.—Ed. M. D. N.

Of the scores of specific occurrences that I have information of from official sources, I mention one that illustrates one phase of the constant efforts of Japan to establish actual sovereignty in China and to force the nationals of other nations to recognize it. I quote from an official report, dated June, 1918:

> Recently . . . , a British subject who represents one of the largest of British firms in the East in this territory (Manchuria) and who is well known personally to the inhabitants of this region, was traveling on a train of the South Manchurian Railway. One of the Japanese train officials, after having been very impudent in making inquiries regarding the passenger's personal affairs and business, demanded to see his passport. The passenger was not accustomed to carry his passport, as it is not required by the Chinese authorities and he is well known. He even was known to the train employes from having traveled so frequently on the line. When he could not produce a passport he was treated with indignity and violence by the train employes. When the train reached Changchun, he was taken to a police station (Japanese) and detained there for several hours and subjected to various examinations. He was refused an interpreter. He was finally taken before the Japanese Consul, who, so the British subject reports, said: "In the view and contention of the Japanese Government you are in Japanese territory (the railway zone) and must submit to the Japanese, who are the ruling authority in the East and must be obeyed." The Japanese Vice Consul said that he had instructions that no foreigner was to be allowed to travel on the South Manchurian Railway without having a passport visaed by a Japanese Consul. He also told the Britisher that he could not remain in Changchun without having his passport visaed by the Japanese consulate there. It may be interesting to state that the firm for which his Britisher traveled is a strong competitor in the Orient of the big Japanese sugar factors.

Recently a special agent of the United States Department of Commerce made a summary of the disabilities under which American merchants now operate in Manchuria and Shantung, as follows:

1. Delays at the Japanese banks. Shroffs of American and other foreign firms are made to wait while Japanese are given prompt attention.

2. Holding of goods at the ports of entry and railway stations on various pretexts, while goods shipped by or con-

signed to Japanese merchants are moved and handled promptly.

3. Similar delays at Kobe, Japan, and at other points of transhipment, where cargo shipped by or consigned to American firms is held up, while cargo shipped by or consigned to Japanese firms is moved promptly.

4. Special favors accorded by the railways in China under Japanese control to Japanese shippers, including an obscure system of rebates.

5. Subjection of Chinese to a ''graft'' system, except those who work in with the Japanese.

6. Encroachments on Chinese business and property, except those who work in with the Japanese.

7. Evasion of local Chinese taxes by Japanese traders and merchants, while other foreign merchants and the Chinese have to pay them.

8. Manipulation of public utilities controlled by Japanese, like postal and telephone and telegraph communications, to give advantage to Japanese merchants.

9. Taking advantage of the war censorship and the circumstances which have caused mails from America destined to China and other places in the Orient to be turned over to the Japanese postal authorities in Japan to be forwarded, to delay the business mail of American firms trading in China and other Oriental countries, to learn the business secrets of those firms, and to use the information thus gained to obtain the business for Japanese firms; and similar use of telegraph and other communications controlled by Japan.

10. Refusing space in Japanese ships to American cargo in order to give advantage to competing Japanese firms, and giving lower rates or rebates to Japanese shippers than are given to competing American firms.

11. Counterfeiting of the trade-marks and other distinguishing features of well-known American manufactured articles and the extensive sale in China of inferior Japanese imitations of those articles.

A large volume could be filled with specific citations of evidence and proofs of the allegations contained in that summary. Many of the matters it mentions have in recent years become the occasion of action and recommendations by American commercial organizations in China. The delay and wrong uses of American mails made possible by the censorship in Japan finally caused, in 1918, the American Government to order that American mails destined to China should be sent by American ships only, and that they should not be transhipped at Japan, thereby avoiding their being overlooked by Japanese. The reason for this transhipment of American mails was to save time. For instance, ships from America touch first at Yokohama, then proceed to Kobe and Nagasaki, with stops at each port. By taking the mails off a ship as soon as it reaches Yokohama, and sending them on by rail to Shimonoseki, thence by Japanese ship to Shanghai, or by rail through Korea and Manchuria to Tientsin and Peking, several days can be saved. Also, during the war, many American and British ships, and Japanese mail ships from America, proceeded from Nagasaki to Manila before going to Shanghai, and the China mails and passengers were transferred.

The manipulation of Japanese shipping in the China and trans-Pacific trade during the war against American and other foreign commerce was the cause of bitter complaints. I quote from a consular report on this subject:

> Subject: Shipping Activities of Japanese in the Far East. Aug. 31, 1917.
>
> Much complaint is made regarding Japan's unfair methods. The Japanese have their national characteristics, and they may be expected to exploit every form of what we may consider questionable trade maneuvering in accomplishing their ends. *This* should be taken for granted, and should be met and overcome by the demonstrated superior abilities which Americans are capable of displaying. . . .
>
> In the enclosed memorandum, an alert and active trader has summarized a number of startling shipping reports, all of which, I

am assured and believe, may be supported, in a general sense, confidentially, by affidavits.

I quote from the annual report of the American Association of China made on December 29, 1914:

> Turning now from trade in general to some particular considerations—what is the outlook? American cotton formerly held a premier position in Manchuria. Under Russian occupation, every nation stood on an equal footing in Manchuria. The same duties and charges were assessed against all and facilities for distributing goods and doing business in general were satisfactory. Now it is all changed. Under Japanese administration, no chance to advance its own trade is overlooked and to competitors the means taken appear to be a departure from fair trading. In fact, they constitute a most serious violation of the open door principle on which the diplomacy of the United States in China is based. Japanese competition takes the form of a system of rebates not only in freight and steamer rates, but in remission of duties and charges which are assessed against all other nations. In addition to this many forms of petty annoyances have been worked out for the non-Japanese trader, and the imitation of established trade-marks is common.
>
> Now that the Japanese are in Shantung, not the mere foothold that the Germans held at Tsingtau, but with an apparent determination to dominate the Province, the same tactics may be expected, since it would be exactly in line with the course employed in Korea and Manchuria. With Dalny on the northern promontory and Tsingtau on the southern Japan has secured a potential control of the trade of North China from the Russian frontier to the Yangtze upon whose valley her traders have long cast covetous eyes. In this connection it will become apparent that not only ourselves, but other nationalities face a loss of trade.

The apprehensions expressed about results of Japan's occupation of Shantung have been fully justified by events.

The American Association of China is composed of representative American residents of all classes and occupations. The American Chamber of Commerce of China, as its name implies, is composed of business men principally. The officers of the chamber in 1918 were: J. Harold Dollar, of the Robert Dollar Company, President; W. C. Sprague, manager of the Standard Oil Company, Vice-President; J. W. Gallagher, of the United States Steel Products Company, Treasurer; J. B. Powell, of ''Millard's Review,'' Secretary. The chamber recently made public the following letter:

Shanghai, December 16, 1918.

Dr. Paul S. Reinsch,
American Minister to China,
Peking.

Dear Sir:

The American Chamber of Commerce of China, several members of which organization have interests in Tsingtao, have the honor to draw your urgent attention to the terms on which the Japanese Government has declared its readiness to restore the Leased Territory of Kiaochow to China and to what in our opinion would be their inevitable consequence to American interests in North China.

You will recall that the Note relative to the Leased Territory presented by the Japanese Minister to the Chinese Government in the autumn of 1917 stated—we quote the translation published by the "Japan Chronicle" on November 8th, 1917—that:

"When after the termination of the present war the leased territory of Kiaochow Bay is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:

"1. The whole of Kiaochow Bay to be opened as a commercial port.

"2. A concession under the exclusive jurisdiction of Japan to be established at a place to be designed by the Japanese Government.

"3. If the foreign powers desire it, an international concession may be established.

"4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedures relating thereto, the Japanese Government shall arrange the matter by mutual agreement before the restoration."

We submit that in view of actual developments there these terms would amount in reality to the absolute control of Tsingtao and its hinterland by the Japanese and would in effect be equivalent, from a business point of view, to outright annexation of the Port and to virtual annexation of the Province by the Japanese Government. For the concession which the Japanese intend to demand is that part of Tsingtao in which the commerce of the Port is inevitably centered, namely the districts surrounding the harbor, the Customs House, and the proposed new railway goods station. The part of the town left for an international concession would be the present residential district and this could be rendered valueless from the point of view of revenue by such "disposal" as is proved in clause 4 of the terms quoted above, which would even include the Public Slaughter House and the Electricity Station.

The evidence for this view of Japanese intention is unmistakable and patent. It meets the eyes in business houses, banks, schools and tea-houses, and private residences, all the outcome of an adroitly conceived and rapidly executed program designed entirely to occupy and effectively to enrich the district essential to trade and commerce. What Japanese control of wharves, railways and Customs Houses would mean, has, we submit, been amply illustrated in Dalny and Manchuria, where are practically no prospects whatever of American or other "foreign" participation in business which should be open to all.

Accordingly we urge that if non-Japanese subjects are to have equal opportunities with the Japanese for business in Tsingtao and the Province of Shantung as a whole, the whole port should be either internationalized or restored to the Chinese Government, and further that in either case, if the Japanese be given the choice of location for their concession all wharves, railways and Customs House should be kept from their control.

We urge this not on behalf of American interests in Tsingtao, but on behalf of those of Shanghai and Tientsin, the export and import trade of which would be seriously handicapped were control of this port and of the Shantung Railway and its proposed extensions to be vested in Japanese hands, to be made the hinge of an Open Door for Japanese only. In view of the recent developments in America and the probability of an almost immediate discussion of the Far Eastern situation as a whole we feel sure that you will appreciate the urgency of this memorandum.

As to the preference of this Chamber in reference to the future disposition of this former German leased property, we are in favor of making it a real international settlement with all harbor facilities and water-front privileges under the absolute control of an international commission. As soon as our special committee can make further investigation of this matter of international control, we shall take pleasure in sending to you copies of our memorandum and recommendations.

As you are doubtless aware, detailed information corroborating and illustrating our views is already in the possession of the American Government, but should you require further or specific particulars, we shall be ready to supply them.

Very truly yours,

(Signed) American Chamber of Commerce of China.

I include an extract from a letter written by an American business man who has resided at Tsingtau before and during the war, and the comment of the office of the American Commercial Attaché to China on the letter. The letter was written in July, 1917 (my italics):

> If you want to do some real good to American business men it would be well for you to find some means to transport merchandise to and from China, without compelling a shipper to have a Japanese connection in order to ship his goods. It is very nice for the Department of Commerce to send men abroad to gather information, and to maintain a foreign service, but the whole purpose is handicapped because of lack of shipping facilities. If a buyer buys goods here in north China he is at the mercy of the foreign steamship lines entirely, the agents of which are likewise merchants who want to market their own goods. The same thing applies to imports. . . . The plain truth is, if you don't buy through the Japanese here, you can't ship your goods. Ask Mr. ———, who says he cannot fly the American flag, nor put a sign in English on his gate-post because of the Japanese regulations.

Comment of Commercial Attaché.

> I am in receipt of your communication of Sept. 7, enclosing a letter from Tsingtau, dated July 27 and addressed to the Department of Commerce and Labor. You ask me for my opinion as to whether or not the statements made in the enclosure are justified. In most parts I believe the statements are justified by facts. Japan appears to be doing everything within her power to strengthen her position in China, before the conclusion of the war. The Japanese Government evidently has instructed Japanese shipping companies to discriminate against shippers of other than Japanese nationality. I make this statement as a result of evidence furnished me by American merchants in China. Several American firms have informed me that they have been refused space on Japanese steamers for cargo, which space was subsequently given to Japanese firms. A very com-

> mon complaint on the part of American firms in China is that goods in transit through Kobe either to or from the United States and China, are often held unnecessarily at Kobe, while the transshipment of goods shipped by Japanese firms on the same ships and destined to or from the same ports, is expedited. One firm informed me that certain materials for a heating plant, shipped from the United States and destined to Peking, via Kobe, lay in Kobe for three months, during which time Japanese firms were bidding on the same materials at Peking and offering immediate delivery. *American firms in Shanghai state that shipments of steel and iron from the U. S. to China, via Japanese ships during the past two years, have been arriving short,* the Japanese shipping companies willingly paying all claims for such shortages. In one case a Japanese ship was beached in Japan, and the cargo of American iron and steel billed to American firms in China, was removed and the claims of these firms was paid in full. These methods were used to secure all possible stocks of American iron and steel for the Japanese ship-building industry.
>
> American merchants in China also state that Japanese shipping companies use information secured through shipping documents of American firms to assist Japanese merchants. Another source of embarrassment to American shippers comes in practices of the Japanese in Tsingtau and Dairen. . . .
>
> On the whole, it appears that Japan is doing everything possible in the United States to make it appear that America will have nothing to fear from Japanese paramountcy in China, or, in other words, that a so-called Japanese Monroe Doctrine in Asia will guarantee to America equality of trade opportunity in China. Furthermore, it appears that Japan is also trying to convince the American public that it will fare well with Japanese control of Pacific shipping. Unfortunately, Japan's acts in China are not, in any sense, in keeping with the representations made through her agencies and propaganda in the United States. Here in China, Japan is doing everything possible to block American enterprise and to force American trade with China to pass through Japanese channels. . . . I fear that protests to Japan at this time will be futile. Our most effective recourse lies in providing such American shipping and other facilities as will conserve our trade independence.

The discrimination of Japanese shipping companies during the war against merchandise shipped to, from or through other foreign firms in China, was especially noticeable also on the Yangtze River. This question of ships as a means for the promotion, or the obstruction, of foreign trade is one of tremendous importance to the American nation; for ships or the lack of them can be made to interpose handicaps to trade as effectual as discriminating tariff or taxation regulations.

CHAPTER XII

THE SIBERIAN QUESTION

Siberia and the Eastern question—Their close relation—Developments after Russia's collapse—Japan and intervention—The attitude of Russians—The propaganda for intervention—Japan's sounding of the Allies—Attitude of France—Great Britain's attitude—Japan and Germany—Danger of a combination—The interests of China—The menace to China—Japan's proposal to intervene exclusively—Motives of Great Britain and France—Effort to obtain America's assent—A flood of propaganda—America's interest analyzed—Importance of protecting democratic peoples—Territorial proximity—The old diplomacy at work—Suspicion of Japan—Rejection of the one-nation plan—Change of Japan's attitude—Conversion from asset to liability.

SIBERIA is bound up inextricably with the far-Eastern problem, and when, following the collapse of government in Russia in 1917, disorder extended to Russia's Asiatic territories, it reacted strongly on the international balance of power in that region, and came at once into the purview of the politics of the Great War.

Japan was the more sensitive of the meaning and possibilities of these developments. There is much evidence that the Tokio Government hardly knew how to take them at first. Regarded one way, the disorganization of Russia complicated Japan's position in world politics seriously. From another point of view, the inability of the new Russian Government to protect the outlying territories of the old empire, and their weakness as separate governments, might bring a great opportunity for Japan's expansion on the continent. This prospect was so alluring that for a time it almost diverted Japanese attention from China. Two schools of opinion quickly formed in Japan on this question, having the common object of gaining advantage for Japan, but differing as to the measures to be taken to accomplish that end.

Sifted down, the course which almost unanimously would have been indorsed by Japanese sentiment was to send a large military force into Siberia, occupy that country as far to the east as seemed practicable and expedient, use the period of occupation to intrench Japanese interests there, prolong the period of occupation as long as possible, and then to use the position so gained as a trading proposition at the general peace settlement. But there were difficulties in the way of putting this policy into effect. For Japan to have acted independently would have caused serious complications with strong nations in the Allied group. The situation perhaps can be made clear by an analysis of the overlapping national interests and sensibilities that were involved.

If Japan alone had sent troops into Siberia and had occupied that territory, without doubt it would be construed by the greater part of the Russian people as a thinly-masked encroachment. Russians would assuredly believe that Japan's ultimate purpose was acquisition of the territory so occupied, by the same process that Germany was then using in the west of Russia, and Japan used in Korea, Manchuria and Shantung. Russians profoundly distrust Japan, which nation they regard as absolutely autocratic and imperialistic in form of government and national aims. At that juncture the great masses of Russians, however keenly they felt that they must for the time accept the unsatisfactory peace with Germany, would be less resentful of German penetration than of a similar Japanese penetration. As between a European or an Asiatic foreign domination of them, Russians will prefer to be controlled by a white civilization. That is the fundamental psychology of this juxtaposition with Russians *en masse*. Allied "assistance" of Russia, which took the shape of an Asiatic invasion of Russia's far-Eastern possessions by a nation which only a decade before was at war against Russia in that region, probably would have dried up any remaining sentiments of sympathy for the Allied war aims among Russians and inclined them to accept Germany's efforts at conciliation and peaceful penetration of Russia in Europe, and would provide German agents in Russia with a potent anti-Allies argument. At that time the military situation in Europe was precarious, and it was thought to be very inexpedient to risk turning Russian sentiment wholly against the Allies. Moreover, the question had numerous other aspects which affected the interests of other nations and world conditions after the war.

The idea that Japan should intervene in Siberia was first advanced in the summer of 1917. It always is interesting to watch Japan's publicity propaganda in its handling of such matters. In this case the device of having the suggestion appear to come from another power was used. The first publicity that I noticed was in telegrams from London to the press in Japan and America, stating that the British and French governments were becoming uneasy at developments in Siberia, and they *might ask Japan to intervene* there. These despatches probably were inspired by the Japanese embassy at London, and served to start discussion of the question. Apparently the press propaganda, which continued in a desultory way during the summer and autumn of 1917, had no definite official foundation until Japan gave it that by addressing a note to several of the Allied nations and to the United States, in December, 1917. I have seen what purports to be a copy, or rough draft, of that note. It pointed out certain alleged conditions, and suggested terms for Japan providing troops to "preserve order" and to protect the Allied interests in Siberia. Japan disclaimed any purpose of territorial annexations or permanent occupation, but she asked that her paramount position with respect to China would be recognized, and that she would have exclusive concessions for mining and timber exploitation and fisheries in eastern Siberia. In return, Japan engaged to aid in protecting the economic and political interests of the Allied nations in European Russia.

This action of the Japanese Government brought attention to the question, and compelled the Allied Powers to outline their positions. In this connection it should be remembered that the United States was not technically one of the Allied nations, as the American Government had reserved independence of action and had not entered into any agreements or alliances with the nations it jointly was making war with. It was a foregone conclusion that Italy and the lesser European belligerents on the side of the Allies would agree to Japan's actions in the East in exchange for a promise that Japan would support their special desires in Europe. This left only Great Britain and France to be dealt with.

The national policy of France at that juncture can be put in a sentence, "Get Alsace and Lorraine back!" Everything was subordinated to that object and to making France secure after the war. France had virtually no interests that are directly affected by the Manchurian and eastern Siberian questions except as the loss or alienation of Siberia would affect Russia's ultimate solvency. France's investments in Russia were a grave consideration, and the revolutionary Government in Russia already had given intimation of a thought to repudiate the empire's debts. As to French economic opportunities in Manchuria, they years before had been traded off for the recognition by other powers of France's special position in South China. French sentiment seemed vaguely to connect a Japanese intervention in Siberia with a restoration of former conditions and a sustaining of the financial obligations of the Imperial Russian Government. It was however by no means certain that a Japanese occupation of eastern Siberia would accomplish that, and it might have an opposite effect by angering the Russians against their former allies. It was of course certain that the Japanese Government would not bestir itself or make any sacrifices to save or protect French investments in Russia; indeed, it safely can be assumed that Japan is indifferent whether these investments are lost or recovered. Japan was anxious to secure Russia's war indebtedness to Japanese, which would be assured by a Japanese occupation of Siberia. At the moment the French view of world politics was obscured by the German peril, and, moreover, the Eastern question means comparatively little to France. In the abstract, if no other matters were involved, French statesmen probably would incline to restrain Japan's expansion on the continent of Asia, although France's economic reasons for opposition are less than those of Great Britain.

Great Britain's attitude toward the Siberian question has been perplexing at times, and it seems to have been actuated solely by imperial expediency. As a separate and detached proposition, the British Government probably would not want Japan to enter Siberia, for such action will tend further to impair British position and prestige in China. But the collapse of Russia and the opening of a way for German political influence, and possibly a combined German and Turkish military pressure, to reach India, had at that time exposed that part of the British Empire dangerously. With the war situation in Europe as it was then, Great Britain could ill spare troops to protect India in the event of latent nationalistic aspirations and German propaganda inciting a seditious uprising there. In such an event, there were intimations that Japan might be asked to send troops to India, and the Anglo-Japanese alliance provided apparently for this contingency. But there is a sharp difference of opinion among the British about the use of Japanese troops in India. Many students of Asiatic politics firmly believe that Japan's Pan-Asian propaganda constitutes a far more potent danger to British rule in India than Germany's propaganda and intrigue there, or than Russia's propaganda and intrigue did formerly. At that time (1917) it seemed that the British Government might have to choose between two evils, a German propaganda supported by a military approach through the Caucasus, with a Mohammedan coloring; or a Japanese influence brought within the country and extended everywhere by a Japanese army. Contemporary utterances in Parliament indicated that the British Government was inclined to regard Japanese military help as the lesser danger, but many Englishmen dissent.

On the other hand, there was the possibility, which lurked in the background of the Allies' policy during most of the war, that Japan might come to an understanding with Germany. There was the possibility that German influence would cross the Ural Mountains, and somewhere in Siberia come in contact with the influence of Japan or China, as the case may be. This is not to say exactly that Germany or any nation in the East ever will succeed in annexing or incorporating Russia; but whether what was Great Russia and its dependencies becomes united under one wide-spread government, or if its former territories are divided among several governments, the internal situation of the country will be such that it will be susceptible to the process of peaceful economic penetration from the stronger nations that are contiguous to it, East and West. So Germany, having a thorough understanding of the real character of the Japanese nation and its ambitions, will at this time be indifferent to the extension of Japanese influence or the establishment of a Japanese "sphere" in eastern Siberia. In that event, the German and Japanese spheres would move forward gradually until they met somewhere in Siberia. Their limitations could then be adjusted by mutual agreement, just as, after the war between Japan and Russia in 1904–05, those nations by treaty agreed to divide the regions about which they had fought, and which had belonged to neither of them; and then in 1916 by a later secret treaty they mutually agreed to defend what they had gained against any third power. Germany probably would have welcomed an exclusive intervention by Japan in Siberia, for it would have tended to alienate Russian sympathy from the Allies and make a German policy of friendly assimilation in Russia easier, and it also would have caused disagreement among nations in the Allied group.

The logic of independent intervention by Japan was that it was more likely to work out in Germany's favor than it was to benefit the Allies or Russia.

China is the focus of the Eastern question, and her interest in all phases of it is absolute. It is not too much to say that China's interest in the Siberian question is as vital to her future security and national position as the Alsace-Lorraine question is vital to France, or the existence of buffer states like Holland and Belgium in Europe has been vital to the security of England. As a result of the Russo-Japanese War, China virtually lost control of her vast provinces of Manchuria and Mongolia. As a result of Russia's collapse in the Great War, China has a chance to regain control of northern Manchuria and to recover Mongolia. Now came a proposed Japanese occupation of eastern Siberia to menace again the whole of China's northern territories and to cast a longer shadow over the Middle Kingdom. By all the catch-phrase tests which diplomacy has invented in the process of modern empire building, China's interest in the Siberian question is fundamental. By the test of "territorial propinquity," China has a major position, for China and Siberia are contiguous on a land frontier extending for several thousands of miles. By the test of "vested interests," China is again paramount by reason of her reversionary ownership of the Chinese Eastern Railway, which lies for about a thousand miles in Chinese territory. By the test of population contacts, China also is paramount, for hundreds of thousands of Chinese reside in Siberia and own much property there. By the test of the alleged menace of Bolshevism, China is more exposed to its penetration, for China at bottom is a great, loosely knit democracy and very susceptible to such penetration; whereas, for instance, Japan is a rigid autocracy remarkably impervious to such penetration. In the circumstances that existed, China could not feel otherwise than menaced if Japan was given a "free hand" in Siberia, for a Japanese occupation of that country east of Lake Baikal would envelop China's northern provinces in an elbow, with a large part of southern Manchuria already under a Japanese quasi-sovereignty. In short, the considerations that were potent in inducing China to join the Allied group at war against the Central powers would vanish in good part, and a situation would be created that probably would work out adversely to China in practice. At any rate, the Chinese were much alarmed at the prospect, and made their uneasiness known.

Early in 1918, probably in January, an understanding on the Siberian intervention proposal was reached by the Japanese, French, and British governments. The details of this understanding as yet are confidential with those governments, but there scarcely is room to doubt that Japan induced the French and British governments to consent to her exclusive intervention provided the United States also would agree. Japan chose a time to press this proposition when the military situation for the Allies was in its darkest phase, just preceding the big German drive on the western front. France and Great Britain were not then in a position to offend Japan by showing distrust of her motives; and still less, since American military reinforcements and supplies were imperatively essential to defeat Germany, could they venture to affront America. What Japan offered or promised in return for the support of her allies on the Siberian question is not known positively outside the inner circles of governments, but it is believed to include a promise to send troops to Europe in certain contingencies, and to exert pressure on Russia jointly with the Allies to validate Russia's foreign debts. France and Great Britain were to support Japan in adjusting certain questions and conditions in the far East.

Strengthened with this support, Japanese diplomacy then began a campaign to gain the assent of the United States to Japan's plan for intervention. Late in January, 1918, and through the month of February, Japan's publicity propaganda in America, strongly supported by both the British and French propagandas, made an active drive in favor of giving Japan a free hand. "Trust Japan" was the slogan, and an effort was made to hush arguments against the proposal by attributing them to German propaganda. The American press was complaisant to a remarkable degree, and it seemed for a while that Japan would get her way and that the United States would be rushed into giving its assent. With respect to the policy of the United States, on February 28, 1918, I then analyzed the issue as follows, in a memorandum not published before:

> By reason of its relation to the war in Europe, the Government of the United States of America can, if it will, exercise a determining influence on this and other Eastern questions. The objects of the American Government in participating in the war have been announced by the President to be the establishment of the democratic forms of government in a secure position, the relegation of military autocracy as a ruling factor in civilization, and the suppression of all international policies and methods which are outgrowths of military autocracies and the imperialistic tendencies of nations. The two largest democracies in the world, in territory and population, are Russia and China. We see how these two countries and peoples may be affected by this Siberian question. Both countries are struggling, somewhat vaguely and very inefficiently, to establish democratic forms of government.
>
> If a Japanese military occupation of eastern Siberia should happen to be co-existent and co-extensive with a German similar advance from the other side, and the two autocracies should effect a combination for mutual security of their gains, it is evident what might be the fate, at least for a long time, of the nascent democratic movements in Russia and China. Furthermore, if that would come about, it might occur that the forces of *efficient autocracy,* as expressed by that combination, and control over the destinies of more than half of humanity and nearly half of the earth's natural resources under those two powers and their satellites, would ultimately overcome democratic forms in government and set civilization backward for centuries.
>
> The United States also has very considerable material interests in this question—or rather, in some of its probable results. The future development of Russia and China offers a great opportunity for American finance and commerce. While America has many good reasons for desiring always (if that is possible) to remain on very friendly terms with Japan, *this desire is secondary in im-*

portance to the maintenance of the independence and integrity of China vis-à-vis Japan or another autocratic Government. Also, the commercial possibilities of Russia and China, singly or together, are vastly more important potentially than commerce between Japan and America will be in the future. Should Japan occupy eastern Siberia, and not be dislodged after the war; and on the other side Germany should obtain possession of or economic domination over Russia's western provinces; then after the war American trade can enter Russia only by passing through a Japanese zone on the East and a German zone on the West. Japan's commercial policy in the parts of China which she already has penetrated, and what is known of Germany's policy of commercial penetration of weaker nations, give sufficient intimation of what such zones on each border of Russia would mean to American and all other foreign trade.

American statesmen no doubt are not oblivious to certain utterances of some high officials of our co-belligerent nations about the thesis of world governance after the war. In a recent speech in Parliament, Mr. Balfour plainly intimated that the British Government is not prepared to, or cannot yet see its way clear to abandon what is usually called the balance of power theory of world politics. This presages, after the war, a continuation of international politics on the checks-and-balances principle. Under this system, it will not be in the ultimate interest of America, or of democracy, to augment the power and influence, in any balance of power, of powers whose governments are based on the autocratic principle. The application of this argument to the existing Siberian question, and its relation to China, are evident.

The peace which is made at the end of this war will not settle the struggle for a really democratic world; it may not even make much of an advance toward this object except that it will awake the democratic peoples to their peril, and stimulate them to continue to work for free institutions and to equip themselves for this work. If the war results only in extending the balance of power system for another epoch, and creates a balance almost even as between the autocratic and democratic forces in civilization, it might be that the way the Russian and the Chinese peoples are propelled by events will be the deciding weight in the balance.

This possibility, with the fundamental interest which America always will have in the balance of power in the Pacific Ocean, gives to the Siberian question great importance at a time when the other democratic powers are preoccupied. Notwithstanding that the British and French Governments appear to acquiesce with the proposed move of Japan into Siberia, it is evident that this attitude of those nations is inspired either by political expediency, by previous secret agreements, or by too close concentration or proccupation with the situation in Europe. The true interests of Great Britain and of France are not likely to be served by allowing Japan a free hand in Siberia and in China. It is very likely that the British and French Governments, while inhibited from openly opposing an independent move by Japan in this case because of previous commitments or immediate interests elsewhere, will not be displeased if objections of America to the move should stop it, or give it a different character. And even if the United States should diverge from the views of the British and French Governments in this instance, such a policy by America is more apt to serve British and French interests in the end than a free hand for Japan and the far East will.

The very close proximity of extreme eastern Siberia—Kamchatka and beyond—to Alaska, a valuable and rapidly developing possession of the United States, should be considered by the American Government in this connection. A permanent occupation by Japan of that region would have in the future a serious effect on the military security of America. While, in relation to the present proposal for Japan to occupy eastern Siberia, the contingency of a Japanese possession of the part of Asia lying directly across Behring Straits from Alaska (with the possibility in time of a railway connection between the two continents by that route) may seem remote, it should be remembered that Japan never has given up any territory which she has occupied on the excuse of military necessity, although she frequently has given assurances that she would. The great and undeveloped natural resources of eastern Siberia in minerals, coal and timber, offer a great temptation to Japan if she once gets in possession of them; and for her to give them up would mark a reversal of her whole history as a modern power. If she takes military control of this vast region for the period of the war, it is reasonable to assume that she will use the time to entrench herself there, and with Russia probably a weak and disintegrated nationality for many years to come, no force from that quarter will be able to dislodge Japan. In that situation, Japan can perhaps so manœuver in the field of world politics that she can get the assent of a majority of the powers to her retention of eastern Siberia; just as, treaties and positive assurances to the contrary notwithstanding, Japan was able to get the assent of the powers to her annexation of Korea. Once Japan's occupation of eastern Siberia becomes *de facto,* it gradually will be accepted as a *fait accompli* in world politics, and no power except America will have sufficient interest in the question to make it worth while to go to extreme in opposing Japan.

This aspect of the Siberian Question ought not to be allowed to pass unnoticed now by the American Government. Later it may be difficult to raise the point, after perchance Japan has become established in military occupation of those regions closely contiguous to United States territory. In case events subsequently should really disclose a genuine necessity for an Allied occupation of eastern Siberia, then without doubt the United States might itself take over the task of policing the trans-Amur region, on the ground that by reason of its nearer territorial propinquity to United States possessions, it is the right and duty of the American Government to undertake the preservation of order there. Geographically, a large part of that region is closer to America than to Japan.

In securing the assent of France and Great Britain to her independent intervention in Siberia, Japan's methods of approach demonstrates the old oblique diplomatic method aptly. The Tokio Foreign Office no doubt realized all along that the real difficulty would be to obtain the consent of Washington, but Washington was not approached directly. In presenting the matter at London and Paris, Japan, so I am reliably informed, stated that since the American Government had by the Lansing-Ishii Agreement recognized Japan's special mission in China, according to Japan's interpretation of that agreement, it hardly could refuse to recognize Japan's similar relation to eastern Siberia. It may be that the British and French governments accepted the Japanese interpretation of the Lansing-Ishii notes: certainly almost any old-school diplomat would so interpret them. At any rate, the British and French foreign offices may have thought it a good time to "pass the buck" and put the issue up to Washington. But, somewhat unexpectedly, Washington was cold to the proposal. Several things may have influenced the State Department's attitude. For one thing, Washington at that time took a more optimistic view of the war situation than Paris and London did, and consequently did not feel that the situation was so desperate that important principles had to be traded off or qualified. For another thing, Washington by that time may have begun to feel uneasy at constructions Japan was giving the Lansing-Ishii Agreement, and thought it was time to make its position better understood. At any rate, Washington refused to assent to the plan for Japan to intervene exclusively, and that killed it.

This outline of the broader political motives which animated the policies of the principal powers in the Allies group indicates why the "give Japan a free hand" idea of intervention in Siberia was rejected. That suspicion of Japan was the major reason for rejecting it was so obvious that the inspired propaganda of all the western powers devoted columns to asserting how implicitly trusted Japan was by all of them, that distrust of her was not the reason for dropping the one-nation intervention plan, but that other important considerations required that the move, if made, should be of international character. The plain truth probably is that the Washington Government (that is, President Wilson) insisted that there should be joint action in Siberia or none at all, and its influence was sufficient to decide the matter.

The decision to make action in Siberia a joint operation in case intervention became necessary completely changed the situation for Japan, and therefore changed her policy. It is clear that intervention in Siberia by Japan alone, with a secret free-hand mandate from the other powers in the Allied group, is a very different situation for Japan than participation by her in a joint international intervention. Acting singly, Japan would have everything in her own hands and could fix matters to her own satisfaction without being interfered with, and probably could get whatever *status quo* that resulted confirmed in the peace terms. On those conditions Japan was anxious to intervene. That situation was a distinct imperialistic asset, or could be worked out into one. But joint international intervention, with the limitations it necessarily would place on military and civil functions in the occupied regions, and the further need of having the situation take an international character in the peace settlement, took on to Japan the aspect of a liability. If Japan intervened alone, she could at the peace conference set her action out as a special contribution to the cause of the Allies and claim compensation, or accept a "special position" in eastern Siberia as compensation, to be converted after a few years into annexation, as in the case of Korea. But if Japan intervened jointly with the United States and other powers, then they would have an equal say in the final disposition of the region; and if, as was probable in the case of the United States, the cost of the expedition and occupation was charged on the general expense of the war, and not charged on the country occupied, then the cost to Japan of her expedition might be a total loss. So from the time the one-nation intervention plan was defeated, Japanese sentiment was against *any* intervention. In short, Japan would prefer to let disorder run its course in Siberia and take a chance on fishing quietly in the troubled waters there rather than have military forces and civil officers of other powers established in the country; for once there, their presence would be a check on Japan, and it might be years before they would be withdrawn.

With this survey of the elements of the situation, we can turn to events in Siberia and Manchuria.

CHAPTER XIII

THE SIBERIAN QUESTION—*CONCLUDED*

Effects of the Russian Revolution—Its extension to the East—The position of Siberia—How it differed from Russia in Europe—China's close relation to the question—The Chinese Eastern Railway—Disorders in Manchuria—Political elements analyzed—Different motives—Japan's selfish policy—The German influence—Various Russian factions—Collapse of Russian authority in Manchuria—China forced to act—Japan's fear of America—A secret diplomatic note—Japan, Russia, and Germany—Japan seeking for advantage—Proposals to Russian groups—Backing different factions—Secret anti-American propaganda—Some examples of this—The American intervention plan—Japan and the Chinese Eastern Railway—Obstruction of the Allies—Rushing Japanese troops into Manchuria—Usurpation of China's prerogatives—The Manchuli incident—Attitude of Japanese toward other allies—Incident at Changchun—The armistice and after.

BY the latter part of 1917 the Russian revolution had extended to the far-Eastern possessions of the empire, where its effects were up to a point almost identical with its course in European Russia. There was a time when society instinctively submitted to the existing administrative régime, which continued to function automatically after a fashion. Then came a period of rapid disintegration, when the old authority and forms crumbled and were succeeded by unlicensed personal liberty, when the ties holding the remote and sparsely populated dominions to the older seats of government weakened and then parted altogether, when efforts were made to form new governments under various groups and leaders, when rivalries and dissensions sprung up among those groups and leaders, and when all of them were seeking the support of governments in the Allied combination. As to its internal condition, Siberia was moving under the same impulses and stimulus, composed of the same constituent elements, from which the revolution had grown.

But there were important differences in the external contacts of European and Asiatic Russia. In Europe, Russia was contiguous to the Central powers and cut off from the Allies. Siberia was contiguous to three nations in the Allied group, China, Japan, and America; to China by a very long land frontier, and to Japan and America by close oversea proximity. These geographical and political contacts, coupled with semi-detachment from Russia in Europe, marked out Siberia as a new, almost a separate problem.

It was natural that the international reactions from Siberia would first be felt by China. This came about chiefly by reason of the location of the Chinese Eastern Railway, that part of the so-called Siberian trunk-line which skirts Mongolia and crosses Manchuria, and is the main-traveled route between Chita, where the Amur line branches off northward, and Vladivostok. Under the old agreement this railway in Manchuria, which China has a right to purchase outright at the expiration of a stated period, was operated and policed by Russia. The offices of the trans-Baikal division were at Harbin, in the center of Manchuria, a junction-point with railways connecting with Peking and Port Arthur. There was a large Russian garrison at Harbin and smaller garrisons at other points, and a considerable Russian civil population had settled in Manchuria, especially at Harbin. At times in previous years a controversy had occurred between Russia and China about the extent of Russia's administrative authority in the railway zone, and on several occasions the United States Government had taken China's side by refusing to recognize Russia's pretensions. This attitude of the United States had irritated the Russian Government, especially in view of the fact that Great Britain and other powers acquiesced with Russia's interpretation and had submitted their nationals at Harbin and other places to the Russian jurisdiction, thereby qualifying, in effect, China's sovereignty.[1]

Strikes and other manifestations of insubordination among the workmen of the Siberian and Chinese Eastern railways, and among garrisons along the railways, began to develop late in 1917. Thousands of ex-officers and soldiers from the disbanded army of Russia in Europe were drifting eastward to escape conditions caused by the revolution, and many of them found Harbin a convenient refuge. Also drifted to Harbin, where, because of the dual municipalities (Russian and Chinese), police administration was confused and lax, many Bolshevik agitators, and agents of the Central powers. Harbin became a center of intrigue. At that time and during the year 1918 the distinguishable political elements operating in eastern Siberia and Manchuria can be differentiated as follows:

Western Allies, including Great Britain, France, Italy, United States.

China.

Japan.

Russian groups. Three pro-Ally groups roughly defined territorially as the Omsk, Harbin, and Vladivostok administrations; the Bolsheviks, who were trying to overturn the more orderly groups in all those administrations.

German agents, composed partly of trained men assigned by the German Government and partly of released German and Austrian prisoners of war.

Czecho-Slovaks.

I have so outlined these elements because of their distinctly different motivations.

Although at war against Germany, China had no deep hostility to that nation and no special fear of it. China nominally was allied with Japan, and Japan was the nation she most feared. China's motive was to protect her own territories, to sustain her authority within those territories, to protect her rights and property there, and to prevent Russian disorders from penetrating farther into China. Beyond that China did not want to go. Her attitude was purely defensive. She was distinctly averse to interfering in Russia (that is, in Siberia) or to any action that could be construed as aggression. In that course China continued to follow the United States, as she had done on broad questions since entering the war.

---

[1] This agreement between Russia and Great Britain (Appendix F) is a very good example of the practice of the powers to make private agreements among themselves, based on the rcognition of their various spheres in China.

I shall state Japan's motives here as I believe them to have been, and shall present evidence later. Japan's motives were complex, yet perfectly definite. She hoped to take advantage of Russia's disorganization and disintegration to oust Russia from Manchuria and to replace her there by gaining control over the Chinese Eastern Railway. To do that she schemed to foment Russian dissensions, secretly backing different factions and leaders against one another, sowing mutual suspicions among them; on the other hand, she gave encouragement to the Bolsheviks for the purpose of adding to the disorder and creating an excuse for intervention; she privately tried to sow distrust of America among the Russians, for the purpose of putting difficulties in the way of the American railway commission that had been sent to help put the Siberian line in order, and to incline the Russians to accept assistance from Japan; she occupied Manchuria with her troops, arrogantly thrusting aside the Chinese and taking over their functions; she manœuvered diplomatically to prevent joint Allied action in Siberia, and when that was adopted, she obstructed it by surreptitious methods. This tortuous course required seeming inconsistencies and contradictions, but the ruling motive always was perceptible.

The motives of Great Britain, France, and Italy were the same as those of the United States in principle, but subject to private understandings among them which circumscribed their acts to some extent, especially in their application to Japan.

The motives of the United States were not tainted by any purpose to reap a national advantage in any form except by helping to create a situation beneficial to Russia and to the general Allied interests, and to respect the territories and rights of all nations involved.

The Czecho-Slovaks were a part of the situation not by design, but by circumstances, having forced their way out of Russia in an effort to reach the western front. They had no motive except to protect themselves against attacks from the Bolsheviks and to aid the general cause of the Allies, on the theory that after the war the Allies would support the creation of a Czecho-Slovak nation in Europe. They supplied a highly picturesque feature to the situation, but one devoid of any fundamental relation to it.

The activities of German agents and the factor of released German and Austrian prisoners requires elucidation, and then it can be dismissed, for its influence was brief and transitory. It is necessary to distinguish between Germans and Austrians in Siberia and Manchuria who were working under orders from their governments, and released prisoners who were passive or of their own notion joined the Bolsheviks to escape repatriation and further military service. This latter class is negligible, for it was merged into the Bolshevik mob without appreciably adding to its strength, and it passed out of control or intelligent direction of the Central powers. The other and less numerous class of Germans and Austrians who responded to direction from their governments pursued a definite and easily distinguishable course. For some time after the revolution the German agents in eastern Siberia followed the same policy as those in European Russia and for the same object—to disorganize Russia and make her incapable of further participation in the war, and to pave the way for a German commercial penetration of the country. In Manchuria these agents did what they could to sow dissensions among the Allies, and especially to play upon China's fear of Japan and Japan's jealousy of America. But a time soon came when the German Government saw that it was not to its advantage to have disorder in eastern Siberia, for that would bring intervention by the Allies, an armed intervention that might develop into a serious menace to Germany's eastern front by rallying the Russians to resume the war. The German Government realized that a tranquil and detached Siberia was for the time more to Germany's advantage, for it would serve as a buffer against an Allied advance from that quarter. So the German agents and propaganda in eastern Siberia were called off as to their incitements of turbulence or provocations of the Allies. "German propaganda" continued to serve Japan as a convenient scapegoat to which exposures of her true policy can be attributed.

There remained, however, enough turbulent qualities in Bolshevism to keep Siberia in disorder. In every prominent Siberian city—Tomsk, Omsk, Irkutsk, Blagovestchenk, Khabarosk, Vladivostok—the Bolsheviks made an effort to seize the reins of administration. Fighting occurred in many places, with attendant destruction of property. Supplies of a military character purchased by the old Russian Government from its allies and America, but not paid for, were accumulated at Vladivostok and other points on the Siberian and Chinese Eastern railways as far as Irkutsk and beyond. These supplies had been stationary at those points for months, even before the military collapse of Russia and prior to the revolution. When Japan began a propaganda in Europe and America to pave the way for her exclusive intervention in Siberia, the alleged need to protect these supplies was given prominence. In the winter of 1917–18 several of the Allied powers sent war-ships to Vladivostok to aid the Russian authorities there to preserve order, as it was explained. Japan was one of the powers to send ships, and Japanese thought on this question was very clearly revealed by the tone of the Japanese press then, which voiced a distrust of the motives of the United States in sending war-ships. By that time the alleged peril from an army of released German and Austrian war prisoners was really past, and with German intrigue removed as a factor, the other intriguing elements began to stand out more plainly. By that time, also, the other powers, especially the United States, were taking measures to learn the real situation by having their officials report and by sending confidential agents to study conditions on the ground.

Early in 1918 it became apparent that the Chinese Eastern Railway was becoming disorganized, and the local administration of the railway zones at Harbin and other towns in Manchuria was so lax and inefficient that ministers of some of the Allied powers at Peking suggested to the Chinese Government the advisability of its taking over the administration of the railway and of the railway zone. It was pointed out, since the ability of Russia to preserve order and to operate the railway had collapsed, that this responsibility and right devolved on China. At that time Japan was pressing the Chinese Government to extend the ''military agreement'' relating to joint operations against the enemy, and when the Japanese legation at Peking heard of the proposal that China should take over the administration of the Chinese Eastern Railway and the policing of the railway zone, it at once interposed private diplomatic objections on the ground that these matters were included in the agreement. Japan tried to prevent the Chinese Government from taking that step, and to arrange so that Japan would succeed Russia as administrator of the railway and of the zone, or would act jointly with China. China evaded the issue, but finally decided to increase her military forces in Manchuria and to take over the policing of Harbin and other places.

It is interesting now to go back a little and cite steps taken by Japan from the time of the Russian revolution to secure a preferential and predominant position in eastern Siberia.

The fall of the empire might have carried off with it the secret treaty made between Japan and Russia in 1916, and Japan was anxious to replace it by understandings with the new Government. It is evident that the Japanese Government felt that it had by private arrangements then in effect assured its position in that region with regard to the European Allied powers. But the United States remained, and that nation was becoming a very important factor. From its entrance as a belligerent the American Government had taken a strong interest in the situation of Russia. Immediately following the revolution it had sent a special mission to Russia to offer counsel and aid, and as one of those measures there was created a railway commission (called the Stevens commission) to help Russia to put her railway system on an efficient basis. There were further proposals of economic help by America to Russia by way of developing her mineral and agricultural resources, and there was a good deal of discussion of those plans in the press. How Japan regarded American assistance to Russia is revealed both by the contemporaneous comment of the Japanese press and by certain moves of Japanese diplomacy. Among the secret documents published after the revolution in Russia was a telegram to the Russian Foreign Office from Krupensky, Russian ambassador at Tokio, dated July 7, 1917:

> The Japanese Minister of Foreign Affairs has asked me to verify a rumor that the self-styled Russian Government has granted exclusive concessions, covering mining undertakings in the regions of the Pacific littoral, and the island of Saghalien. Viscount Motono added that if this rumor was in accordance with the truth it would have a very depressing effect in Japan. While fully recognizing that Russia was entitled to dispose of Russian territory, Viscount Motono remarked, on the other hand, that Japanese capitalists had long expressed the desire to participate in the development of those mining resources and at the present time, as in the past, they were ready to organize private Japanese companies for that purpose to co-operate with Russian capitalists to that end.
>
> While still acting as ambassador at Petrograd the Viscount had raised this question, but the reply he had received was that the

Russian mining laws did not permit the participation of these foreigners in mining in that province. If at the present time any modification of that law had been decided upon, the Japanese, as the nearest neighbors and the oldest explorers of those regions, had a pre-eminent right to the concessions in question. The Minister pressed the point that if such negotiations (? with foreign capitalists) had already been begun, the Japanese Government would much appreciate their cancellation.

The Russian Ambassador in calling attention to the importance of this declaration, believes that in the event of unfavorable complications the Japanese claims might result in very dangerous consequences. In view of the Japanese attitude the Ambassador thinks it extremely desirable that the rumors of negotiations with American capitalists should be denied.

A Russo-Japanese alliance: Confidential report to a foreign legation at Peking, October 27, 1917.

On or about October 20 there arrived in Peking direct from Russia a special representative of the Premier of Japan, General Terauchi. This man had an interview with the Chinese Premier (General Tuan) in which he stated that Russia would be forced to conclude a separate peace with the Central Powers, that Japan would then enter into an alliance or arrangement with Russia, and that it was extremely desirable that China should join them, which action would be welcomed by Japan. He ended by saying that this was for China's best interest, *as when the European war was concluded there would be but two great Powers left and these would rule the world. He named Japan and Germany as the two Powers.* This report is absolutely authentic.

The purpose of the United States Government at that time in trying to aid Russia was absolutely confined to a desire to enable Russia again to become useful as an ally in the war against Germany, and for that purpose it would have aided by capital and by supplying experts to put Russian agriculture, transportation, and mineral production on an efficient basis. But Japan saw these projects only as moves to procure for America an economic and political predomination in Russia. It is perfectly logical that the Japanese Government would put this construction on all moves of other nations, for it never made a move anywhere during the war except with such objects. Thus in the early months of the revolution Japan was trying to establish for herself an exclusive and preferential position in eastern Siberia, and to prevent any other nation from getting a foothold. From that time every development, every move made by any nation in Siberia or relating to Siberia, every move made by Japan herself in that region or relating to conditions there, was calculated by Japanese statesmen with that motive.

In this policy Japan was reckoning primarily of America, not that her people and statesmen have any special antipathy to America, but because they regard that nation as the natural and at present the only formidable opponent of Japan's ambitions in Asia. While Japan did not want any of the powers to interfere or to send forces into Siberia, and showed an irritation at all of them when they did so, she was specially uneasy about America. The course of her intrigue and propaganda during that period revealed this plainly. I quote from some reports of American and other official investigators and secret agents who were observing conditions in Siberia then:

> Dated Harbin, April 23, 1918.
>
> The Japanese plans, so far as they have been disclosed, exhibit little of advantage to the Allies and offer the prospect of Japan creating for herself in Siberia one of those exclusive positions which it is one of our purposes in the war to remove from international relations. I have talked with no element (Russian) yet which does not seem to me to be treating Japanese offers of assistance and actual assistance only as a last resort, reluctantly accepted, and which was not eager for American assistance as the only help that could be fully trusted to be both unselfish and sympathetic toward the legitimate aspirations of the Russian people. The Japanese, with their excellent knowledge of the extraordinary possibilities of the region, have opportunities for acquiring properties at a time when industrial conditions are unsettled, as they are at present. Their purchases at Harbin up to the present time, as ascertained by   , are: . . .

Dated, April 23 (Harbin).

I am confidentially informed by the Russian Committee that they are assured by the Japanese Government, through its representatives here, that Japan is prepared to send troops in sufficient numbers to control the situation and to place in power any government backed by Japan. The Committee has informed me that Japan asks, for her support, the following terms:

1. Vladivostok to be made a free port.
2. Japan to be granted exclusive mining rights in Siberia.
3. Japan to have free navigation of the Amur river.
4. Any further financial needs of the Chinese Eastern Railway to be first submitted to Japan.

While the other Allied powers were debating ways and means to solve the Russian question, Japan already was on the ground and taking an active part. I quote from a confidential report of a secret agent employed by a foreign government to study conditions in Siberia. This man spoke Russian fluently and was thoroughly familiar with that region from long residence and experience there:

Dated June, 1918.

All the Russian groups and factions require money for conducting a propaganda in their favor, for expenses of their military forces and for other needs of their administrations. The Japanese understand very well these difficulties and are the first to propose to make them loans. The Japanese have offered loans to almost every faction and group of Russians in Siberia at different times since the revolution, and frequently have made loans to opposing factions at the same time. I mention especially the proposed loan of 100,000,000 rubles on most favorable conditions to the new Siberian Provisional Government. According to the statement to me of the Minister for Interior Affairs of the Siberian Provisional Government (M. Novosseloff) this loan was not accepted by the Government, but he recognizes that the situation of the Siberian Government in Vladiostok was critical owing to lack of necessary cash in hand and to difficulties met in obtaining funds. The attempts of the Government to get money from America were unsuccessful, though the Americans did not refuse but were only promising to arrange the matter later, probably after the situation of the Government is more stable.

. . . .

In any case we see that Japan is continuing the same policy which she practiced toward Seminoff; that means the policy of secret loans on unknown conditions. It is the same policy that was not long ago discussed in the newspapers concerning Japanese loans in China, which loans attracted special attention of the Allied Powers. It seems that something definite must be undertaken by the Allies to prevent the possibility of Japan to continue her separate loan policy, which sooner or later will bring complications in Russian affairs, *if in fact it is not intended to create confusion and dissension.* From another point of view something must be done to organize an open and legal assistance by the Allies to the authorities responsible for these localities which are in none of the Czech's influence, because measures directed to maintain order require money before all.

Here we must point out a considerable difference in the material (money) security of the rival groups. The group of Horvath disposes considerable official and private resources, thanks to the exceptional situation of Horvath personally and the support of the Bourgeoise class; whilst the Siberian government has absolutely no money at its disposition in the Far East.

Here follows a good example of the Japanese anti-American propaganda and intrigue in Siberia and Manchuria, extracted from a confidential official report to a foreign government. It is a letter from the Japanese consul-general at Harbin to the Russian newspaper there.

Imperial Japanese Consulate General at Harbin,
June 8, 1918, No. Ex. 6.

To the Editor of the "Novosti Zhizni":

The Japanese Consul General has the honor to forward you herewith a translation in Russian of a leading article from the Japanese newspaper "Osaka Mainichi Shimbun" of May 31, 1918, which is one of the most influential press organs in Japan. This article was translated from Japanese into Russian by an amateur in this Consulate General, and I request you not to refuse to publish it in the earliest issue of your esteemed paper, giving a frank critique of the content of the article in question. But at the same time this Consulate General humbly requests that under no circumstances should it be indicated by your esteemed newspaper that this document was received from this Consulate General.

The official report transmitting this letter to a foreign government commented thus:

> The article in question contained an attack on the motives of the Allies, and especially the United States, in their dealings with Russia, and as propaganda it can only do harm to the Allies, and tend to create mistrust of American motives.

As examples of the method of Japan's propaganda in the far East and its special anti-American trend, I will give a few pertinent instances. When Japan was trying to obtain a hold on the Chinese Eastern Railway after the revolution in Russia, one effort was to make it security for a loan to be given to the political faction led by General Horvath, head of the Chinese Eastern Railway administration at Harbin. This scheme was discovered, and was exposed by the press in China before it could be carried through (although there is still uncertainty about whether Horvath has compromised the Russian title with Japan in some way), whereupon the "Manchurian Daily News," the Japanese organ in Manchuria printed in English, published a report that an American loan was being negotiated on the same collateral. This was criticized as a characteristic American move to gain a position in Manchuria, and it set off the press in Japan in a great clamor. Of course there was no truth in the report of an American loan with the Chinese Eastern Railway as security, and it was a pure fabrication by the "Manchurian Daily News." Another example was the premature report in Japanese press organs that an American fleet had been sent to Vladivostok with the purpose of occupying Siberia. Another canard circulated by Japanese newspapers was that the United States had purchased and would take over the Siberian Railway. Another canard was that the United States had purchased the northern part of the island of Saghalin from Russia. Another canard was that the United States, or American capitalists, had obtained an exclusive concession to work all mines in Siberia, this being given out to offset the publication of the diplomatic correspondence revealing that Japan actually was trying to obtain such a right. The method is, when some secret Japanese scheme is discovered prematurely and published, for a Japanese propaganda organ to create a "smoke screen" by attributing the plan to America. A very pertinent example of this method is the following, printed in the "Japan Advertiser," an American-owned newspaper published at Tokio, on April 27, 1918:

Asahi Service

VLADIVOSTOK, April 26.—An important diplomatic document regarding a secret agreement between the Governments of Siberia and America has been discovered by Soviet officials at the residence of a man called Kolobov, one of the committee of the Siberian Government. The document is a sensational one, in which the following articles are stated as the proposals of the Siberian Government to America.

1. Eastern Siberia is to be recognized as an independent self-governing state.

2. The people of Eastern Siberia are to be guaranteed as having the right of not being intervened with by foreign powers.

3. A republic form of government is to be guaranteed for Eastern Siberia.

4. The United States Government may assume the right of control over the whole Trans-Siberian and Chinese Eastern Railways, to be restored to the Siberian Government as soon as the war is over.

5. In view of preventing the main points along these railways from possible disturbances, the American Government holds the right of dispatching its troops or asking the expedition of troops of the other Allied Powers, and occupy the territories as far as from Vladivostok to Irkutsk.

6. The Siberian Government should not conclude peace with Germany without America's approval.

7. All administrative and military affairs are to be entrusted to the American Government.

8. In case the American Government decides to give financial assistance to the Siberian Government, the former may hold an absolute controlling power over the expenditures of the Siberian Government. This includes affairs regarding ammunition.

The discovery was naturally a shock to the Russian public, especially to the Soviet, who had regarded America as their best friend. It is anticipated that the friendly diplomatic inter-course between America and the Soviet Government will be greatly affected by this discovery.

To this "Asahi" despatch the "Advertiser" prefixed this comment:

> The "Asahi's" correspondent at Vladivostok telegraphs an extraordinary story, about an alleged agreement between Americans, unnamed, and a Siberian provisional government. The agreement is said to have been discovered by Soviet officials in a domiciliary search—that convenient method of discovering what one wants to discover. It is an obvious fabrication. America is still in diplomatic relations with Petrograd, and would not be the least likely to enter into such extraordinary negotiations with unauthorised persons.

The terms of this alleged "secret treaty" would be tantamount to the creation of an American protectorate over Siberia, exactly such a relation as Japan has for years been trying to establish for herself with respect to China, and which at that very time she was scheming to create for herself in Siberia.

Conditions in Russia continued to grow worse, and in the summer of 1918 the principal Allied powers decided upon action in Siberia. This time the United States took the initiative, and proposed a joint and proportionately equal intervention, with express limitations as to extent and objects. It was interesting to note how the Japanese press, which had been actively propagandizing for separate intervention by Japan, now began to doubt the need for it. The fact was that the Japanese Government wanted to intervene by itself, but it preferred no intervention to joint intervention. But the Allied governments were very well informed by that time, and Japan had the alternative of joining or of seeing the other powers intervene without her. In that situation she, of course, joined. It was agreed that the four leading Allied powers, Great Britain, Japan, France, and the United States, would supply a maximum of seven thousand troops each, while Italy also was to send a contingent. That force, with the small Czecho-Slovak army, was deemed sufficient for the purposes of the intervention as then conceived.

Japan did not wait upon a decision of the other Allied powers to move. As early as the spring of 1918 Japan began to send troops into Manchuria by increasing the garrisons, or "railway guards," there. This was done chiefly to intimidate the Chinese Government, which had increased its forces in north Manchuria for the purpose of policing the Chinese Eastern Railway, which remained under the direction of General Horvath by virtue of an arrangement made at Peking in April, 1918, whereby the railway administration was declared to be detached from the authority of the Petrograd Government. Japanese diplomacy had favored that arrangement because it was backing Horvath, and it prevented China from taking full control. The increase of Chinese forces in north Manchuria made necessary by the lapse of Russian authority in that region was resented by Japan, which claimed the right to decide such measures under the "military agreement" recently concluded between Japan and China. Meanwhile Great Britain had taken a hand and was giving some financial and military support to the Russian leader Seminoff, who had organized a mixed force of Russians, Chinese, Japanese (volunteers) and Mongols to oppose the Bolsheviks in the Baikal territory. Seminoff and Horvath did not agree very well, owing to clever playing upon their mutual jealousy by the elements (Japanese and German) that wanted to create dissension. Seminoff had made an effort to take Irkutsk, but was repulsed near the Manchuria frontier and retreated into Chinese territory, where most of his troops were interned by the Chinese Government, which was trying to observe neutrality toward the revolution in Russia, and of course could not permit its territory to be used as a military base of operations for armed excursions into Siberia. During this time it was convenient, owing to congestion at Vladivostok, to ship medical and other Red Cross supplies, and supplies needed for other Allied uses, into Manchuria and Siberia by the South Manchurian Railway, which connects with the Chinese Eastern Railway at Changchun. As illuminating a phase of the situation, I quote from an official report to a foreign government, dated in April:

> I have the honor to state that the Japanese railway authorities here have, during the past week, been seriously hampering Allied war operations. Their motives in doing so are easily imagined, but difficult to determine with any certainty or exactness. They are more or less inscrutable, as many of their recent actions are.
>
> . . . .
>
> The Japanese evidently do not want order restored by the Russians themselves in Siberia, for in such a case they would have no excuse to interfere. Another chance to "fish in troubled waters" would thereby be lost. Then, too, it seems that they are moving large quantities of their own arms and munitions to the north and they want theirs to arrive first. However, their action in this matter hardly accords with the statements made by Viscount Ishii and other Japanese diplomats about Japan "standing shoulder to shoulder with the Allies" and doing their utmost, etc. When one considers the celerity and efficiency with which the Japanese move their own supplies over the railway, it cannot for a moment be thought by any rational person that the delays and ineptitude which characterize their actions where other Allied interests are concerned are anything but studied and deliberate. That, at least, is the opinion of every official here who has anything to do with the incidents described. The British Consul-General, who is a careful, cautious and conservative man, expressed his opinion on this subject in unmeasured terms.
>
> The action of the Japanese in holding up the Allied supplies is in keeping with their general railway policy in Manchuria, and affords another striking example of their abuse of railway rights, which abuse has been frequently reported in my despatches Nos. 79 and 84, dated respectively February 16 and March 5, 1918. When American Red Cross supplies were being sent to Russia, this office had the utmost difficulty in getting the Japanese to accept them for shipment. They deliberately placed obstacles in the way, and showed no disposition whatever to help. It was a sorry day for European and American interests when the Japanese

gained control of the railway lines in South Manchuria, and all the plausible explanations about "equal rights" and the hypocritical vaporings by the Japanese about the impartiality of their railway administration carry no weight with those who have any personal knowledge of the subject.

At the time when the Japanese Government was considering the proposal of the United States Government for a joint and limited intervention in Siberia, and when it began to perceive the expediency of accepting the American view of the situation, a strict censorship was clapped on the press in Japan, which up to then had been allowed free expression on the topic. In July, 1918, a special order was issued, reported by the "Japan Advertiser" as follows:

> *NEWSPAPERS ARE WARNED*
> *REGARDING SIBERIAN VIEWS*
>
> As is the order on the eve of important events in Japan, the Metropolitan Police last night issued to all newspapers a warning against the publishing of conjectures regarding particulars of negotiations between Japan and the Allies in regard to the Siberian question.
>
> The police also warned against the publication of anything that is likely to cause resentment to the Allies among the Japanese. This last warning is evidently issued in view of the attitude of some Japanese newspapers in commenting on the reported attitude of the United States toward intervention in Siberia.

The joint Allied intervention in Siberia was promulgated in August, 1918. In that connection it is interesting to quote in full the official announcement of its participation by the Japanese Government:

> The Japanese Government, actuated by the sentiments of sincere friendship toward the Russian people, have always entertained the most sanguine hopes of the speedy reestablishment of order in Russia, and a healthy and untrammeled development of her national life. Abundant proof, however, is now afforded to show that the Central European Empires, taking advantage of the chaotic and defenceless condition in which Russia has momentarily been

placed, are consolidating their hold on that country, and are steadily extending their activities to the Russian far Eastern possessions. They have persistently interfered with the passage of the Czecho-Slovak troops through Siberia. In the forces now opposing these valiant troops German and Austrian prisoners are freely enlisted, and they practically assume the position of command. The Czecho-Slovak troops, aspiring to secure a free and independent existence for their races and loyally espousing the common cause of the Allies, justly command every sympathy and consideration from the cobelligerents to whom their destiny is a matter of deep and abiding concern. In the presence of the threatening danger to which the Czecho-Slovak troops are actually exposed in Siberia at the hands of the Germans and Austro-Hungarians, the Allies have naturally felt themselves unable to view with indifference the untoward course of events, and a certain number of their troops have already been ordered to proceed to Vladivostok. The Government of the United States, equally sensible of the gravity of the situation, recently approached the Japanese Government with proposals for early despatch of troops to relieve pressure now weighing upon the Czecho-Slovak forces. The Japanese Government, being anxious to fall in with the desires of the American Government, and also to act in harmony with their Allies in this expedition, have decided to proceed at once to disposition of suitable forces for the proposed mission. A certain number of these troops will be sent forthwith to Vladivostok. In adopting this course, the Japanese Government remain unshaken in their constant desire to promote the relations to enduring friendship with Russia and the Russian people, and they reaffirm their policy of respecting the territorial integrity of Russia and of abstaining from all interference in her internal politics. They further declare that, upon the realization of the objects above indicated, they will immediately withdraw all the Japanese troops from the Russian territories, and will leave wholly unimpaired the sovereignty of Russia in all its phases whether political or military.

Once intervention was decided on, Japan easily forestalled her allies in celerity in moving troops, because of proximity and also because she had been ready for a long time. (I have trustworthy information that Japan mobilized three divisions for occupation of Siberia in August, 1917). By her railway communications through Korea and Manchuria, Japan quickly had troops at Harbin, and soon pushed them westward. At all points of contact, and particularly on the line of the Chinese Eastern Railway, the Japanese military commanders at once assumed a superior authority over the officers of Chinese troops that had been sent to maintain order in those localities. Japan asserted this seniority under the terms of the so-called "military agreement" with China. China did not place that interpretation on the agreement, and the Chinese commanders in Manchuria showed firmness in maintaining that they controlled in Chinese territory, and in refusing to yield authority there to the Japanese.

This situation led to many clashes between Chinese and Japanese troops in Manchuria, some of which assumed serious proportions. Japanese troops moved along the Chinese Eastern Railway, placing guards at all bridges, culverts, and stations. As Chinese guards in ample numbers already were stationed at all those points, and the line was, to quote from a report of an American military expert, "as safe as Broadway," the Chinese resented being thrust aside, especially as the political motive of Japan in trying to take over the railway was fully understood. At several places Japanese troops actually drove the Chinese guards away by force. As an example of this condition, the occurrence known as the "Manchuli incident" will serve.

Manchuli is a town on the line of the railway between Chita and Vladivostok at the point where it enters Chinese territory in western Manchuria, and has importance because it is where frontier customs examinations are made, passports visaed, and other official functions performed. At that time the town was a rendezvous for Russian refugees drifting across the frontier, and stragglers from Seminoff's little army that was operating against the soviet government at Irkutsk. I quote from an official report of the incident made by a foreign military officer who obtained the facts on the ground:

> I have to report an unpleasant collision that occurred at Manchuli between Japanese and Chinese troops and officials. This

point has lately been the scene of considerable trouble owing to the attempt of the Seminoff forces to use it as a base and as a place to which they can retreat when repulsed by the enemy. It has been necessary for the Chinese authorities here to take measures to preserve China's neutrality in this warfare between Russian political factions, and the Chinese troops have disarmed many of Seminoff's men who have been thrust back into Chinese territory. This has led to some unpleasant incidents, but the Chinese officials were acting with moderation and a fair amount of discretion.

This was the situation when a Japanese military force commanded by General Fujii arrived at Manchuli. General Fujii, I am informed, at first tried to take command of the Chinese troops, claiming to be the senior officer. The Chinese commander declined to yield the command, and on being pressed by General Fujii, he referred the question to the Peking Government. I understand that the Japanese Government through its legation at Peking put pressure on the Chinese Government to concede the authority of the Japanese commander here, but the Chinese Government refused. The relations between the Japanese and Chinese headquarters here therefore have been strained, and there have been brawls between the Japanese and Chinese troops which, according to my investigation, are almost invariably caused by the truculence of the Japanese soldiers, who show their contempt of the Chinese in all ways. This was the general situation when the unfortunate incident occurred.

At midnight or thereabout on last Tuesday night a detachment of Japanese soldiers, about fifteen men with one non-commissioned officer, went to the headquarters of the Chinese military commandant. The Japanese were armed with rifles and hand grenades. They found the outer gate of the compound closed, and they told the Chinese sentry that they wanted to talk with the Chinese commander and demanded admittance. The guard refused to let them inside and tried to induce them to leave. The Japanese then attempted to force an entrance. The Chinese sentry resisted and was killed. The Japanese then forced the gate and marched in a body to the inner entrance, again demanding to talk with the Chinese commandant. By this time the Chinese commandant (General Pao) was awakened and one of his staff parleyed with the Japanese, who demanded admittance. The Chinese officer told them that General Pao could not discuss matters with them as there was no Japanese officer present, and asked them to go and bring an officer. This the Japanese refused to do, and started to force an entrance to the building where General Pao and his staff were quartered. The Chinese guard then fired.

Three Japanese soldiers were killed and the rest retreated. The bodies of three men in the uniform of the Japanese army were found in the compound after the affray was over.

The next day, before the Chinese commander had time to make a report of the affair, the Japanese commanding general demanded an apology for the injury done to Japanese troops and practically detained the Chinese commandant under arrest. The Japanese Government make a diplomatic issue of the incident, backed up the Japanese General, and demanded an apology from China and that the Chinese troops be withdrawn from Manchuli, except a few.

While a Chinese officer was parleying with the Japanese soldiers on the night of the incident, another Chinese officer telephoned to the Japanese military headquarters asking that a Japanese officer be sent to discipline the Japanese soldiers who were making the disturbance, but no attention was paid to this request.

I understand that the matter has now been settled by the Japanese and Chinese Governments as follows: China is to pay an indemnity in money for the three Japanese who were killed, and the Chinese commandant is to apologize to the Japanese commander here; Japan is to pay an indemnity for the one Chinese who was killed. Thus China is put officially in the wrong and is compelled to submit to humiliation and "loss of face," as is usual in such cases. The facts seem to be that the incident was a case of wanton and insolent affront by Japanese soldiers who took this way of showing their contempt of the Chinese.

Soon after the Manchuli incident, the Japanese Government suddenly and without previous intimation notified the Chinese Government that it intended to act under the ''military agreement.'' China was not consulted as to this action in any way, either as to its advisability or the means to be used. At the time when China was so officially notified, Japanese troops already were moving. This notice to China was given on September 20. By September 28 it was estimated by a foreign military expert on the ground that there were 22,000 Japanese troops north of Changchun, the northern terminus of the South Manchurian Railway; 3,000 at Changchun, and 15,000 at Mukden. By the end of October there were about 60,000 Japanese troops in Manchuria outside of the alleged Japanese sphere tapped by the South

Manchurian Railway, and the Kirin and Mukden-Antung lines. By the understanding among the powers about joint intervention in Siberia, each of the four principal powers was to send 7,000 troops. Japan did send about 10,000 to Siberia by way of Vladivostok, which evidently the Tokio Government considered its quota under the joint intervention. But, including those in South Manchuria, Japan had about 75,000 troops in Manchuria, showing that the Japanese Government regarded Manchuria as its special field and as not included in the joint intervention plan. At the time when the United States had approached the Allied nations with its intervention plan, China also was invited to participate, and had consented; but China's quota of troops was not fixed, it being apparently assumed that her part would be to preserve order in Manchuria and on the line of the Chinese Eastern Railway. That is, China was to do what was necessary within her own territory contiguous to Siberia, and was to facilitate the Allies' operations as she could.

It quickly developed that Japan was determined that China should take no part, at least no creditable part, in these operations, just as Japan had succeeded in preventing China from having any real participation in the war elsewhere. Japan took it solely to herself to decide upon when and how the "military agreement" would be applied, and in acting professedly under it Japan did not consult China or assign any part to China. Yet the operations alleged to be undertaken by agreement were confined exclusively to China's territory, and affected Chinese interests more importantly than those of any other nation.

The period from the time joint Allied intervention in Siberia began (August, 1918) until November, when the armistice was signed, can be summarized briefly. Out of courtesy, a Japanese general was given command (or seniority) of the Allied expeditionary forces in theory, but in fact each different national force was directed according to the policy of its government. For instance, Japan for her own reasons desired to push as far into Siberia as was possible without having to do much actual fighting. The excuse to do this was to support the Czecho-Slovak forces that were combating the army of the soviets in central and western Siberia. France and Great Britain also seemed to favor a move deeper into Siberia, Great Britain probably on the theory that the general war situation for the Allies would be helped, and France perhaps for the same reason. The American Government, however, held its forces at or near the coast and declined to participate in a move toward the interior. Evidently Washington foresaw the end of the war and did not want to become further involved in Russia's civil strife.

This period, brief as it was, was long enough to demonstrate the strong antagonism felt by the Japanese toward all of their allies. The Japanese seemed to regard the British, French, and American troops as interlopers, as trespassers in a Japanese preserve, with the sole motive of depriving Japan of legitimate spoils of war. This disposition caused numerous very unpleasant incidents, and serious trouble between the Japanese troops and those of the other allies was at times narrowly averted. I could relate dozens of incidents illustrative of this condition, but two will be enough. Two British officers, in uniform, were walking in the outskirts of Vladivostok on some military business, when they noticed the peculiar actions of a Japanese soldier who was stationed as a sentry near some supplies. The sentry was beckoning, and seemed to wish the officers to approach him. Disregarding his unmilitary demeanor, and thinking the man might be in trouble, the officers walked over to where he was and asked what he wanted. The sentry greeted them with an insolent grin and a tirade in Japanese, which the officers could not understand. Then the sentry seized a swagger-stick which one of the officers was carrying, broke it, and cast the pieces into a near-by puddle of water. By this time the officers comprehended that the soldier meant to insult them, and they took him suddenly by his arms and threw him, gun and all, into the puddle. They then continued their walk. The officers did not report the incident formally, for many previous similar incidents had shown that no satisfaction would be obtained from the Japanese superior command. Japanese troops in Vladivostok and Manchuria habitually failed to salute officers of other Allied forces, and on occasion even would shoulder them off sidewalks and display other studied rudeness toward them. By the late autumn of 1918 there was a feeling almost of hostility between the Japanese troops in that region and the troops of other Allied forces, which became so intense that measures had to be taken to prevent serious collisions.

An example of this attitude of the Japanese military was given in Manchuria. Italy's part in the Siberian intervention was to send a battalion of troops from the garrison maintained in North China under the protocol of 1901. The shortest and quickest way for these troops to reach the scene of events was by the Chinese Government railways to Mukden, then by the South Manchurian Railway to Changchun, where was a connection with the Chinese Eastern Railway on to Harbin. The practice has been, in transferring passengers at this point, to shunt trains from the Japanese line over to the Russian station, when trains could be changed by merely walking across a platform. The train conveying the Italian troops had arrived at Changchun and was shunted over to the Russian station. There the troops detrained for transfer. While this was taking place, an Italian sentry was posted to guard some supplies on the station platform. A number of Japanese soldiers were strolling about the platform, and one of them started to examine the supplies, whereupon the sentry properly warned him off. The Japanese went away, and soon returned with a Japanese officer, who reprimanded the Italian sentry. The sentry stood his ground, and when the Japanese officer started to handle the supplies, presented his bayonet. The Japanese officer then left, and returned soon with a file of Japanese soldiers fully armed, which he drew up in a line on the platform. By then an Italian officer had appeared, and a sharp colloquy occurred. The Japanese officer demanded that the sentry be ordered to apologize, which the Italian officer refused to order him to do, and objected to the presence of the file of Japanese soldiers and their menacing attitude. After an argument, the Japanese withdrew. In the opinion of officers of other nationalities, the Japanese adopt these methods to impress the natives that the other powers are subservient to Japan, and that Japan is the dictator in Manchuria.

The situation caused by the conduct of Japanese troops in Siberia and Manchuria became so strained that a joint protest, which, I am informed, was quite strong in its phraseology, was sent to the Japanese commanding general by the other allied commanders.

With the signing of the armistice in Europe, the joint Allied intervention in Siberia took a new character. It no longer had the complexion of an oblique military move against the Central powers, which was no longer necessary. It now became purely an intervention in Russia's internal affairs, a situation that called for fresh consideration by the peace conference at Paris. Therefore military measures in Siberia were suspended pending the adoption of a new policy.

The Japanese Government soon grasped the meaning of these events. In December it announced that it was withdrawing its troops from Siberia and Manchuria, and it is probable that the number was reduced. In February, 1919, it was reported that Japan had agreed to advance a loan to the Siberian Provisional Government at Omsk and to give military aid and support to that Government. For this aid Japan is, so the reports said, to receive exclusive concessions in central and eastern Siberia. Such a step of course would be a violation of the inter-allied agreement regarding intervention in Russia, by which none of them were to act except in consultation, and conjunction with the other allied nations.

Semi-official denials of the reports were given out at Tokio. Observers of far-Eastern politics are apt to conclude that Japan makes a show of withdrawing from Siberia in order to get the other powers out, and at the same time is planning to take an active part, for a definite *quid pro quo,* in the civil war in Russia by renting Japanese troops (for the reported arrangement amounts to that) to one of the factions. In January, 1919, it was announced that an agreement had been reached among the Allied powers (which in effect meant between Japan and the United States) by which the Chinese Eastern and Siberian railways are for a while to be operated by the Stevens Commission under joint international control.

In response to inquiries of press correspondents at Washington, the State Department questioned the correctness of the reports about Japanese loans to the Omsk government in return for concessions in the Pri-Amur district of Siberia, and pointed out that Japan, as a loyal ally, and with full representation at the peace conference, could not take independent action in Russia. A few days later, on February 12, the State Department announced that the United States and Japan had agreed in regard to plans for the restoration of railway traffic in Siberia. Acting Secretary of State Polk was quoted by the Associated Press as stating:

> The purpose of the agreement is to assist the Russians in Siberia in regaining their normal condition of life, and has been reached upon a definite understanding that the railways are to be operated for the interests of the people of Siberia. The United States and Japan have expressly voiced their disinterested purpose not to infringe on any existing right, either of Russia or, where the Chinese Eastern is concerned, of China.

Under the plan adopted, which was to be put into effect immediately, the Siberian railway system, including the Chinese Eastern Railway, was to be supervised by an inter-Allied committee with a Russian as chairman. Russia, Great Britain, Japan, the United States, France, Italy and China are to have representation on the Committee. The technical and economic management of the railways will be in the hands of a technical board, the president of which will be John F. Stevens, head of the American railway commission sent to Russia in 1917. An inter-Allied military board will coordinate matters affecting military transportation arising from the presence in Russia of military forces of the United States and the Allies.

It required months of negotiations to effect this simple arrangement, owing to the difficulties raised by Japan. As friction developed, the other Allied powers fell into the background, and left the issue to be adjusted by Japan and America. The result, so far, indicates that the American Government is not disposed to abandon the Manchurian and Siberian situations to the exclusive treatment of Japan.

CHAPTER XIV

THE SOLUTION

Effects in China of the collapse of Germany—The internal situation—Composition of the Government—Japan forcing her schemes—The armistice—Weakening of Japanese influence at Peking—Some causes of this—Injection of American ideals—President Wilson's principles—Their application to China—Work of American propaganda—Japan's plan to represent China at the peace conference—The scheme blocked—Uneasiness of Chinese—The Southern point of view—Further effort by Japan to intimidate China—Effort to prevent the publication of secret treaties—Outcome of that matter—Further advice of the Allied powers to China—Trying to end the civil strife—The conference at Shanghai—What shall be done for China?—The case of China summarized—Responsibility of America—The problem analyzed—Question of extra-territoriality—A plan for its gradual abolition—This plan considered—The railway question—The question of loans and finance—New declaration of the American Government—Will China take the cure?—China's appeal to civilization.

THE breakdown of the German military offensive in France in the summer of 1918 threw a shadow over Japan's influence at Peking, and alarmed the group of corrupt Chinese officials who owed their positions and power to Japanese backing. For a while it was felt that the formation of a new "liberal" ministry at Tokio might mean an actual change in Japan's China policy. But events quickly showed the fallacy of such expectations.

It soon developed that the Japanese Government did not intend to change its course in China except under compulsion, but would continue during the probably long period of peace negotiations to push the China game for all it would stand. Baron Hayashi, the Japanese minister at Peking, who had been out of sympathy with the reckless Japanese loan policy and was not a believer in drastic methods, was recalled, and replaced by Mr. Obata. Obata was known in China as the ''table-pounder,'' because during the pressure for the secret acceptance of the twenty-one demands and the negotiation of the ''agreement'' of 1915 he, so it is said, would emphasize Japan's arguments during the conferences by thumping the council table vigorously. Obata's return to Peking at that juncture was taken to mean that Japan would, if necessary, revert to table-pounding tactics to gain her points.

A brief résumé of the condition of China internally at that time is necessary to make the situation comprehensible. The government at Peking was composed of a president, a cabinet, and an assembly, or council. The president, Hsu Shih-chang, was amiable, and was believed to be a patriotic man, but one lacking a forceful personality. The strong man in the Government was the premier, Tuan Chi-jui, who with his henchmen composed the predominant group in the cabinet, and controlled the ministries of war, finance, and communications. Tuan Chi-jui's power rested on his affiliations with the northern Tuchuns, his command of such troops that were in and near Peking, and the financial and diplomatic support of Japan. The other cabinet ministries, including the ministry of foreign affairs, were not strongly under Japanese influence, and felt that China's safest course was to follow the United States and the western powers. The council, which had been set up to replace the seceding parliament, really amounted to nothing, and did nothing. As president of the senate, Liang Shao-yi, who had been powerful in the régime of Yuan Shih K'ai, had a foothold from which he exercised a certain influence. Outside of the Tuan group there was a strong sentiment in favor of compromising the dispute with the South and creating a united national government. The Peking Government exercised nominal authority over about three fifths of the country. The remaining provinces, mostly lying south of the Yangtze River, supported the secession government established at Canton.

The so-called Southern Government was composed of members of the old parliament, that had been dissolved in 1917 by President Li Yuan Hung at the dictation of the Tuchun's party led by Tuan Chi-jui, and a number of liberal leaders, prominent among whom were Wu Ting-fang and Tang Shao-yi. Sun Yat Sen for a while also affiliated with this faction, but in 1918 he severed relations with it and retired to Shanghai. The Southern Government protested strongly against any foreign loans being made to the Peking Government after the schism, on the ground that the money was used only to attempt to suppress the effort to maintain democratic institutions in China. In 1918 Tang Shao-yi undertook a visit to Japan for the purpose of trying to persuade the Japanese Government to stop the lending of money by Japanese to the Northern Tuchuns and Government, and to stop the supply of arms and ammunition from Japan; but the visit had no practical results. The Southern Government subsisted from personal contributions, provincial revenues, and portions of the Salt Gabelle it was able to withhold. It denied ever taking money from Japan, but it is quite clearly established that some of the southern Tuchuns and local officials went into the Japanese loan game pretty deeply.

Foreseeing an end of the war, but not its abrupt termination, the Japanese Government evidently decided to strike while the iron was hot, and to try to close up a number of matters which had been brought to a certain point, but not fully consummated. For some time Japan had been pressing to have the Chinese Government ratify a number of additional or supplementary clauses to the ''agreement'' of 1915 and the ''military agreement'' of 1918. These clauses related to Japan's position in Shantung and Manchuria, and would give Japan almost complete control over all future development and organization of China's military and naval forces, with right to supply arsenals, naval plants, arms, and munitions; to provide Japanese officers to oversee those equipments and train China's forces. Several grandiose projects also were afoot: one a plan for China to entrust her interests at the peace conference to Japan; and another for Japan to acquire from Russia (which meant from the Horvath party in eastern Siberia, or another of the Russian groups in Siberia) with China's consent the Russian interests and rights in the Chinese Eastern Railway; and various concessions and loans negotiated with provincial officials, and with men in the Tuan group, were being pressed for ratification by the central Government. These negotiations were being conducted chiefly at Tokio, in order to avoid the too close scrutiny to which Japan's moves were subjected at Peking, and because Japan seemed to have obtained a strong influence over the Chinese minister at Tokio.

In October, 1918, it was announced that General Hsu Chang, who was considered the right hand of Premier Tuan, had accepted an invitation to attend the autumn field military manœuvers in Japan. This announcement at once aroused much suspicion and comment, for General Hsu was one of the leaders of the pro-Japan group in the Chinese Government and the chief lieutenant of the premier. The pro-China and anti-Japan Chinese press published speculations on the purpose of General Hsu's visit, and the consensus of opinion was that he was to sign an agreement by which Japan was to advance Tls. 100,000,000 to the Peking Government (which meant to the Tuan group); and that China was to delegate Japan to represent her at the peace conference, was to ratify the supplementary articles of the 1915 and military agreements and other loan concessions, and was to give additional security and concessions. It was reported, in return for those concessions of China, that Japan would return to China the balance of the "boxer" indemnity still due to Japan; a plan which, under the conditions that existed, would have been merely an adroit form of bribery. In the midst of these discussions, and in the face of a bitterly hostile attitude of the greater part of China and open accusations that he had been bribed to betray his country, General Hsu departed for Japan. Before he had time to develop his projects there the sudden signing of the armistice brought another change in the situation. The Hsu mission dropped quietly into the background, or the soft pedal was put on it. The peace conference, which had been considered as an event months and perhaps a year in the future, now was actually at hand.

Partly to recall to the Chinese Government a sense of its true position and responsibility, and perhaps also for its oblique effect upon Japanese influence at Peking, the Allied governments took occasion in October, 1918, to address a friendly remonstrance and admonition to China concerning her part in the war. This act was called a protest in current press discussion, and it pointed out a number of matters wherein it was alleged that China had been delinquent. One was that the remissions of the ''boxer'' indemnity payments had been spent foolishly; another was that the War Participation Bureau had accomplished nothing; another matter was the prevalence of banditry; and failure to intern enemy subjects, to liquidate enemy business, to prevent trading with the enemy, were other points made. The protest was based on just grounds; but the representatives of the powers who drafted and presented it knew that the Peking Government was only partly to blame for its failures in the war, and that a much stronger indictment would rest against Japan; indeed, the protest probably was meant for Japan although made to China. Evidence that Japanese were evading the enemy trading regulations in China had been accumulating since early in the war. After it was plain that Germany would be defeated, and that Germans would be deported from China and their business liquidated, the Germans were very anxious to dispose of their property. Japanese were the principal purchasers. At Tsingtau, at Tsinan, Tientsin, Hankow, and many other places, German real and other property was purchased by Japanese. By the end of 1918 a large proportion of the desirable German property in China had passed into Japanese hands.

The armistice weakened Japan's influence at Peking in several ways. First, it completely disproved one of the most potent arguments which Japanese *sub rosa* propaganda in

China had been using to depress pro-Ally sentiment among the Chinese—the argument that Germany eventually would win the war or get a stalemate. With that theory also went down a number of arguments which depended on it, such as a new alliance of Japan and Germany, with Russia and China under their protection, a plan which had been presented to the Chinese Government by Japan as being a possible and a logical outcome of the war.

But the principal thing which lessened Japan's influence at Peking was the demonstration of the power of the United States as shown by events of the year 1918, and the growing influence of the American Government, or rather of President Wilson, in world politics. To most Chinese the result of the war resolved into comparatively simple elements. As they saw it, for years the Allies could not defeat Germany, and Germany seemed to be getting the better of it. Then America entered the war, and changed its whole aspect, resulting in a victory of the Allies. Chinese also were impressed by the fact that Germany, when she came to sue for peace, addressed not France or Great Britain or the Allies in Europe, but the President of the United States; and as far as they could judge, it was the decision of the President that led to the end of the war. Furthermore, the Chinese had by then begun to learn something about the purposes of the American Government in entering the war. This information had been conveyed to them by the United States Committee on Public Information, which, after repeated urging of Americans in China, finally, in the summer of 1918, had created an organization for propaganda in China. This propaganda was under the direction of Carl Crow, formerly with "The China Press," "The Japan Advertiser," and "Millard's Review"; and with Dr. Paul S. Reinsch, the American minister to China, and John B. Powell, of "Millard's Review," as official advisers. A telegraph service of American news was instituted, and circulated among the Chinese vernacular and foreign press in China. But even more effective was the translation into Chinese and publication in book form of the principal war addresses of President Wilson. My last information was that this edition of the President's addresses in Chinese was running into the hundreds of thousands and was taxing the "Commercial Press" of Shanghai to meet the demand. Placards in Chinese and English, with striking phrases of President Wilson's speeches, suitable for hanging in windows and homes or for posting on walls, were printed and circulated in all parts of China. One of these placards quoted a paragraph of the President's Fourth of July address of 1918:

> Second, the settlement of every question, whether of territory, of sovereignty, of economic arrangement, or political relationship upon the basis of the free acceptance of that settlement by the people immediately concerned and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery.

And almost as hopeful to Chinese was another paragraph of that same address of Mr. Wilson:

> First, the destruction of every arbitrary power, anywhere, that can separately, secretly and of its single choice disturb the peace of the world or, if it cannot be presently destroyed, at least its reduction to virtual impotence.

The utterances of leading officials of the European Allied governments about the war and their aims and purposes in waging it to a conclusion had not been lacking in eloquence and force, and all had been published in China by the British and French press there. But such utterances of European statesmen had come to be meaningless to Chinese, in view of what they knew of the actions of one of the Allies, Japan, with the tacit and perhaps the positive secret assent and approval of the other Allied powers. The Chinese also knew of some of the secret agreements made among the leading Allied powers during the war relating to annexations of territories of other belligerent nations and even of some neutral states. Now came a new voice, speaking words and principles which to the Chinese seemed to be written especially to apply to them and to their country and its situation. It was a new voice, from a new world leader, representing a nation that Chinese long had regarded as friendly to their country. They listened to the voice, and for the first time the war began to take a meaning to them which they could apply to themselves. Now came the positive proof that the nation and its leader who uttered those principles were a great, perhaps the greatest, power for the settlement of the issues of the war and the questions of the peace. Doubts and fears began to diminish. The Chinese officials who were holding out against Japan's blandishments, inducements, and pressure took heart again and strengthened their resistance. Then there was the hope held out by the proposed league of nations, as stated by another paragraph of President Wilson's Fourth of July address:

> Fourth, the establishment of an organization of peace which shall make it certain that the combined power of the free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which every international readjustment that cannot be amicably agreed upon by the people directly concerned shall be sanctioned.

Notwithstanding Japan's pressure to induce the Chinese Government to commit, or in some way to delegate, China's representation at the peace conference to her care, the Peking Government, supported by the advice of the American, British, and other Allied legations, declined so to act, and decided to send a separate delegation to Paris. Lu Cheng Hsiang, minister of foreign affairs, was nominated as head of the delegation; with V. K. Wellington Koo, Chinese minister at Washington; Alfred Tze, Chinese minister to Great Britain; Wei Tsun-chu, Chinese minister to Belgium, as advisers; and with a staff of counselors and secretaries.

Failing to become China's attorney in the case, Japan then instigated an intrigue through the pro-Japan group at Peking to have the peace delegation include a majority of Chinese who were under Japan's control. To this end it was proposed that the premier, Tuan Chi-jui, should be a member of the delegation, and that Tsao Ju-lin, the minister of finance, and General Hsu Chang, should accompany Tuan as expert advisers. It also was suggested to the Chinese Government privately by the Japanese legation at Peking that the relations of Japan and China and their mutual interests at the peace conference would be greatly facilitated if China would appoint a Japanese adviser to her delegation at Paris. This offer was declined. The suggestion that Tuan Chi-jui and his chief lieutenants should be sent as delegates aroused so much opposition throughout the country, and especially among the Southern party, that it was quietly dropped. I was in Peking during this time, and a little later I met some of the Southern leaders at Shanghai and discussed the situation with them. I found them willing, even anxious, to make peace with the Northern party provided a suitable basis for compromise could be arrived at. They seemed to realize the danger to China of divided counsels and motives at such a world crisis, and that it would seriously impair her position at the peace conference. But they did not trust the Peking Government as long as Tuan Chi-jui and his satellites were in power. A principal Southern leader thus discussed the question with me:

"At this time all Chinese must put aside party advantage and personal ambitions and concentrate on getting justice for our nation in the peace settlement. To this end we of the Southern party are willing to concur with and to take part in the conferences at Paris. I think the South should be represented in the delegation at the conference. We fear that Japan's control of Tuan Chi-jui and his followers will somehow commit the Peking Government to delegate China's case to Japan, or to cause it to be presented inadequately. There are a number of men in the Tuan crowd at Peking who, for a money consideration, will sign 'on the dotted line' at the end of any kind of agreement which Japan will write. Their signatures, of course, will not make the documents valid, but it may be that Japan, if she can get them signed cheaply enough, will think that somehow she will be able to get them ratified later; and at any rate she may be able to use them for trading purposes at Paris. I believe it is true that a large number of secret agreements have been signed with Japan by different officials of the Tuan crowd at Peking with, as you Americans say, the 'blue sky as the limit.' Most of these secret agreements never have been formally ratified, for that requires action by the parliament, and to present them to parliament, or even to the Peking council, would give them publicity. So far a few officials at Peking, whose signatures are necessary, have held out against all Japanese inducements and intimidation. The Southern party will raise any amount of money to prevent Japan from controlling the Chinese delegation at Paris or to prevent it from being muzzled there."

A result of this sentiment was that C. T. Wang, who had gone to America as a representative of the Canton Government in September, 1918, was appointed by President Hsu as an associate of the Chinese peace delegation, and joined it in Paris with several other members of the Southern party.

Although it is futile to draw conclusions about events that are in process of formulation, as I write this the peace conference already has developed some very interesting matters of China vis-à-vis Japan. On its way from Peking to Paris the original Chinese delegation traveled by rail through Manchuria and Korea, across the straits of Shimonoseki, and on to Yokohama by rail, where a Japanese ship conveyed it to Seattle. From Mukden, in Manchuria, on to America, the delegation, and of course all of its numerous pieces of luggage, moved entirely by Japanese-owned, and, so far as the railways are concerned, Government-owned and managed means of transportation. At Yokohama, the day before the delegation sailed, I met one of the Chinese secretaries, and he told me that some pieces of the delegation's luggage were missing, having been lost or delayed in transit, and that the luggage contained documentary matter for use at Paris. Later it was reported that this luggage, containing certified copies of certain documents, was not recovered, and the delegation arrived at Paris without it. This became public when the Chinese delegates at Paris made known their intention to submit to the conference copies of all secret agreements signed and ratified or not ratified, or proposed by Japan, but not signed, between Japan and China during the course of the war.

The report that the Chinese delegation would place all these questions confidentially before their confrères at Paris caused a somewhat sensational incident, which is aptly illustrative of Japan's methods in China. Through the Japanese legation at Peking it was strongly put to the Chinese Government that those matters were private between Japan and China, and should not be submitted to the Paris conference; and it was urged that the Chinese Government would immediately repudiate the action of its representatives at Paris. The Chinese Government refused to be intimidated, and informed the other Allied legations at Peking of what had occurred, and also made the matter public.

The disclosures placed Japan in such a bad light that the whole of Japan's diplomatic organization and propaganda was focused on an effort to deny her part in the matter and to obscure the facts. For instance, as a "smoke screen," the Japanese embassy at Washington gave out statements to the effect that Japan was indifferent about the publication of all her agreements with China, that indeed she always had intended to publish them herself, and as an evidence of that, the embassy gave out for publication the old "agreement" of 1915, which of course had been published years before. Finding that China could not be bluffed by such methods, Japan then proposed to China that she (Japan) would withdraw certain of the unratified and pending agreements, and that the remaining ones would be jointly given out for publication. It appears that China assented to this proposal, which had advantages for her in that it amounted to wiping out a number of embarrassing issues; for on February 25, 1919, a statement was given out at Paris containing texts of the secret supplementary agreements in the form of notes exchanged at Tokio on September 24, 1918, between Baron Goto, Japanese minister of foreign affairs, and the Chinese minister. The notes follow:

[Note 1.—Tsung-hsiang Chang to Baron Goto.]

The Chinese Government has decided to obtain loans from Japanese capitalists and proceed speedily to build railways connecting the points as below set forth. Having received authorization from my Government, I have the honor to communicate the same to your Government.

First, between Kaiyuan, Hailung, and Kirin; second, between Chang-ghun and Taonan, and, third, from a point between Taonan and Jehol to some seaport. (This line to be determined subject to future investigation.)

Should there be no objection to the above propositions, it is requested that your Government lose no time in taking the necessary steps to cause capitalists in your country to agree to enter negotiations for loans on the same. A reply to the above is awaited and will be appreciated.

[Note 2.—Baron Goto to the Chinese Minister.]

I have the honor to acknowledge the receipt of your Excellency's note, intimating that your Government has decided speedily to build with loans from Japanese capitalists railways connecting the points as set forth below. (The note cites items 1, 2, and 3 as contained in the note of the Chinese Minister.)

The Imperial Government, while noting with much pleasure the communication of the Chinese Government, begs to state in reply that it will lose no time in taking necessary steps to cause Japanese capitalists to enter into negotiations for loans on the same.

[Notes 3 and 4 missing.]

[Note 5.—Baron Goto to the Chinese Minister.]

I have the honor to inform you that the Imperial Government, in view of the feeling of good neighborhood existing between the two countries and in a spirit of mutual accommodation, has deemed it fitting, and accordingly has decided, to propose to your Government to settle various questions relating to the Province of Shantung in a manner as set forth below:

First—To concentrate at Tsing-tao all Japanese troops stationed along the Tsing-tao-Tsinan Railway, excepting a contingent to be left at Tsinan.

Second—The Chinese Government to provide for the guarding of the Tsing-tao-Tsinan Railway and to organize a police force for that purpose.

Third—The Tsing-tao-Tsinan Railway to contribute an appropriate sum to defraying the expenses of such police force.

Fourth—Japanese to be employed at the headquarters of the police force, the principal railway stations, and the training stations of the police force.

Fifth—Chinese to be employed on the Tsing-tao-Tsinan Railway.

Sixth—On determination of ownership, the Tsing-tao-Tsinan Railway to be run as a joint Chino-Japanese undertaking.

Seventh—The civil administrations now in force to be withdrawn.

In acquainting you with the above, the Japanese Government desires to be advised as to the disposition of your Government regarding the proposals.

[Note 6.—Tsung-hsiang Chang to Baron Goto.]

I have the honor to acknowledge receipt of your note with contents to the following effect. (Repeats almost verbatim the contents of Baron Goto's note.) I beg to acquaint you in reply that the Chinese Government gladly agrees to the proposals of the Japanese Government above alluded to.

The Japanese and Chinese delegates at Paris, and the Chinese and Japanese governments at Peking and Tokio, at the same time stated publicly that these notes were all the agreements that had been made between those governments, and that there were no other secret agreements. That statement probably is not true literally; but it can be taken to mean that any other secret agreements were abrogated by mutual consent, leaving only these in issue as to their validity. By making that statement to the Conference, the Japanese Government is estopped from presenting later as valid instruments any other agreements with China that it may be holding up its sleeve. The Japanese Government probably preferred thus to disclaim secret agreements that it has extorted from China or obtained by bribery or attempted to obtain, rather than to have them exposed to the world.

While these events connected with the peace conference were developing, attention was being given by the Allied powers to the internal situation of China. As at several times previously, the lead was taken by the United States, and on October 10, the anniversary of the Chinese Revolution, which is a national holiday, President Wilson sent a telegram to the President of China. The telegram and the reply follow:

The President of The Republic of China, Peking.

On this memorable anniversary when the Chinese people unite to commemorate the birth of the Republic of China I desire to send to you on behalf of the American people my sincere congratulations upon your accession to the Presidency of the Republic and my most heartfelt wishes for the future peace and prosperity of your country and people. I do this with the greatest earnestness not only because of the long and strong friendship between our countries but more especially because in this supreme crisis in the history of civilisation, China is torn by internal dissension so grave that she must compose these before she can fulfil her desire to cooperate with her sister nations in their great struggle for the future existence of their highest ideals. This is an auspicious moment as you enter upon the duties of your high office for the leaders in China to lay aside their differences and guided by a spirit of patriotism and self-sacrifice to unite in a determination to bring about harmonious cooperation among all elements of your great nation so that each may contribute its best effort for the good of the whole and enable your Republic to reconstitute its national unity and assume its rightful place in the council of nations.

Woodrow Wilson.

Hsu Shih-chang's reply follows:

The President of
The United States of America,
Washington.

Please accept my very sincere thanks for your telegram of congratulations upon my assumption of the office to which I was duly elected by the Parliament of the Republic. It is my earnest desire that not only the traditional intimate friendship existing between our two countries will be maintained and strengthened but also all efforts within our power will continue to be exerted toward the furtherance of the common cause in which the splendid success of the army of your country has won the admiration and respect of the world.

> National unity upon which the welfare of the people entirely depends is a matter demanding my first attention, and you may be assured that I will put forth my best effort to bring about its consummation and meet the wishes of the people of the whole country that in the coming councils of the family of nations our country may assume its rightful place and work with your country hand in hand toward the realisation of the highest ideals.
>
> HSU SHIH-CHANG.

As was to have been expected, this telegram of President Wilson was taken amiss by the Japanese press, which made the usual effort to construe it as an interference in China's affairs contrary to the Lansing-Ishii Agreement. As typical of the Japanese view of this question, can be quoted a telegram sent from Peking by a Japanese news agency, and published in the "Shanghai Times," a Japanese organ:

> It has been noticed that since his return from the United States, Dr. Reinsch, the American minister to Peking, has been endeavoring to arrange a compromise between the North and the South. If this is true, it will be an infringement of the American-Japanese agreement.

This in effect meant that the Japanese idea of the Lansing-Ishii Agreement is that the American Government or President properly cannot address a communication to the Chinese Government or to Chinese without first consulting Japan or by sending the communication through Tokio. Some Japanese newspapers stated that plainly. Of course Dr. Reinsch, who had just returned from a short trip to Washington to consult with his Government, was taking absolutely no part in China's internal strife except as instructed by the state department; but there is no doubt that all the Allied legations at Peking were very strongly urging upon their governments the need for some action by the powers to settle China's political troubles and bring the North and South together. Only Japan did not want that done, and every move toward that end irritated the Japanese press exceedingly. However, after the armistice was signed, the Japanese Government made another change of attitude, and when it was again suggested that the powers advise China jointly to make internal peace, Japan rushed to the front and tried to carry off the matter as if it was her proposal and initiative. On December 2, 1918, the following joint note was presented to the Chinese Government through the legations at Peking:

> It is with grave concern that the American, British, French, Italian and Japanese governments have witnessed the continued civil strife which for the past two years has divided this country. This unhappy division has proved no less harmful to foreign interests than disastrous to the welfare of China itself. The consequent unrest has been an encouragement to the enemy, and during the crisis of the war hampered the effective cooperation of China with the Allies and now that that crisis is past and the nations look forward to the hope of effecting some reorganization of the world for the realization of peace and justice among all peoples, the disunion still prevailing in China makes their task more difficult. The associated governments aforesaid have observed with hopefulness the steps already taken by the President of the Republic of China with a view to the settlement of civil strife, and have been happy to believe that the attitude of the Southern leaders indicated no less a desire on their part to arrive at a suitable adjustment of differences. These governments, therefore, have taken the occasion to express the sympathy and hopefulness with which they regard these indications of a desire on the part both of the Peking government and the leaders of the Southern party to set aside all considerations of merely personal sentiment and legal technicality and, while carefully refraining from taking any step which might be an obstacle to peace, to seek without delay, by frank conference, some means of attaining a reconciliation upon a basis of law and devotion to the interests of the Chinese nation such as is necessary to assure to China peace and unity within its borders. In taking this action to express earnest sympathy with the efforts of both sides to achieve a solution of the difficulties that have hitherto divided them, the governments aforesaid desire to make clear that in so doing they have contemplation of no ulterior plan of intervention and no desire to control or influence the particular terms of the adjustment, which must remain for the Chinese themselves to arrange. They only desire to lend what encouragement they can to the aspirations and efforts of both parties for a reconciliation and re-union which will enable the Chinese nation to bear the more worthily of its

own traditions its part in the reconstruction which the nations of the world are now hoping to attain.

In Japanese newspapers and news services in the far East this note was represented, in some cases, as having been presented by Japan exclusively, and in all other cases it was made to appear that the other powers had acted only on Japan's request that they do so. Thus the fiction of Japan's alleged paramountcy in China was preserved, in so far as Japanese propaganda could do that, among the natives of far Eastern countries.

An immediate result of this note was that the Northern and Southern groups made arrangements for a conference at Shanghai for the purpose of agreeing upon a cessation of the civil war. These conferences are going on at this writing, but it already has developed that Japanese intrigue, operating through the Tuan Chi-jui group in the Peking Government and through other pro-Japan Chinese officials in the provinces, is working to prevent agreement. This civil war in China will soon die of inanition if its leaders are deprived of funds to pay their private armies. The Japanese loan orgy of 1917–18 has provided most of the funds, and even after the Shanghai peace conference was convened, Japanese financiers, with the knowledge and backing of their Government, were trying to arrange for a large loan to the Tuan Chi-jui faction. Without doubt such loans, *and only such loans,* will keep the civil strife alive; for as long as the military party can obtain funds it can hold the reins of power in at least a part of the country. The pro-Japan group of Chinese officials at Peking seem to have decided that it is as well to be hanged for a sheep as for a goat and to play out their string to its last thread. Until China is rid of them, there can be little progress toward reform.

Of the so-called weak nations whose fates may be decisively influenced by acts or omissions of the peace conference, China ranks with Russia as the more important. Her population, territory, and resources indisputably give her that place. China has been a sick nation for many years. Only yesterday Russia was ranked among the great powers. Her rapid decline shows how easy it may become to convert a nation from a power into a distracted and impotent country that is a menace to civilization. China is trembling on the brink of a similar abyss; or, conversely, she might as unexpectedly and almost as rapidly, by organizing her vast human and material resources, assume a respected place among nations. These alternative possibilities ought to be enough to obtain attention for her case.

But with regard to China's case, Americans should realize that they and their nation have very definite obligations relating thereto. Events daily remind us that we have become entangled with, and to some extent have become responsible for, the right settlement of European questions in which our national interests are not very clearly involved except on broad humanitarian and sociological grounds. There are no previous treaties or published agreements that commit the United States to any policy regarding the Balkan question or the disposition of Turkey or the reconstitution of Poland or the security of Belgium or the reconstruction of Russia; yet many Americans, on moral grounds, now feel a degree of responsibility for the solution of these issues, and the war has demonstrated how they can impair our peace and safety and property. Toward China the United States, many years ago and recently, assumed specific obligations and responsibilities, written into international treaties and agreements. Furthermore, almost every modern authority on the Eastern question has reached a conclusion that of all western nations the United States, because of geographical juxtaposition and modern economic propulsions, has the greatest practical interest in the future course of China, and also that no satisfactory future for China can be assured without the direct and active participation—some say leadership—of America.

As the protagonist of the Hay doctrine, the United States is obligated to observe and to maintain the territorial integrity and administrative autonomy of China, and the commercial "open door" in China's territories. The American Government has itself signed several international covenants asserting these principles, and has been instrumental in inducing five other powers to sign similar agreements. Moreover, I know that a majority of Chinese are now looking hopefully to America to use its friendly offices in China's behalf, and if our Government fails in this obligation, it will forfeit the confidence and respect of the Chinese, and diminish its influence in far Eastern affairs for many years to come. Since the American Government is thus obligated about China, and our nation has such an enormous stake in the future development and nationalistic impetus of that country, it obviously is very important for Americans to understand what China wants, what she purposes to ask, what justice demands should be given her, and in what the problem of stabilizing China during the reconstruction period consists.

Probably none would be willing or able at this time to announce a specific list of what China wants as a result of the peace settlement. Chinese, that is, the politically intelligent class, have a tolerably clear idea of what China wants; but opinion among them differs about the expediency of asking or demanding this or that. Some Chinese and foreigners think that China should be modest, and should confine her petition to a few essential points, without referring to some issues that are certain to arouse controversy and incite opposition. Others believe that the appointed hour has struck and that China must seize the opportunity forcibly to assert her full rights; that unless she speaks now she may have forever after to hold her peace; that it is better to ask and be refused than to allow certain issues presumably to go by default.

There are two points of view regarding what China wants, Chinese and foreign. Even the most pro-Chinese foreign friends of China scarcely are willing to grant all that the radical pan-China element now assert. In outlining China's case

I will try to draw the line of moderation, for I believe that the greater part of intelligent Chinese will approve a settlement that will also accord with the views of progressive foreigners in China.

First, I shall set out China's case in summary:

1. Cancellation of all treaty provisions with foreign governments that grant or recognize rights tantamount to "spheres of influence" within China's territories, or any monopolistic privileges that cannot be available to all nations under the most-favored nation clauses.

2. Nationalization and international neutralization of all railways in China's territories.

3. Cancellation of all monopolistic mining rights accorded to foreigners or foreign nations in China, and of all other "concessions" that tend to limit and impair China's sovereignty and the commercial "open door" principle.

4. Relinquishment of all leases of China's territories to foreign nations, and the temporary substitution therefor of international control. with a proviso that they will revert fully to China on the fulfilment by her of certain stipulations.

5. Removal of all foreign troops from China's territories, except those provided by the protocol of 1901, these to be also withdrawn on the fulfilment by China of certain stipulations.

6. Removal of all foreign posts and telegraphs from China, and foreign supervision over the Chinese postal service to cease on the fulfilment by China of certain stipulations.

7. Establishment of a uniform currency system in China, to be supported by an international loan under conditions tending to a gradual assumption of Chinese control.

8. Granting of complete tariff autonomy to China, under certain specified conditions whereby China's fiscal administration will be gradually reformed.

9. Abolition of extra-territoriality in China on the fulfilment by China of certain stipulations.

10. Consolidation of the national debts of China; all outstanding loans, provincial and national, to be absorbed in a

single loan or series of loans underwritten by a financial syndicate under international supervision.

11. Restoration of Chinese local administrative autonomy in all parts of Chinese territories where during recent years it has been insidiously subordinated to foreign authority.

The effort to obtain justice for China in the peace settlement has two aspects: the protection of China in her age-established territories and national life and help for the Chinese in changing their country into a modern nation, and the removal in China of those frictions and causes for antagonism among foreign nations that in modern times are the chief causes of war. Both of these conditions distinctly fall within the main and explicit purposes of the American nation in making war, as repeatedly uttered by President Wilson and scores of our public men, and also acceded to by other major nations in the Allied group. They embody the principles that constitute the essence of the famous fourteen articles, which opened a way to peace.

The eleven articles of China's petition, as I have composed it, will, I think, be found to comprehend all essential matters and questions involved in the present very complicated situation of that country. Numbers 1, 2, 3, and 10 will cover the whole list of quasi-political, foreign "concessions" that have been foisted on China in the last twenty-five years, including the Japanese loan and concession madness of the last two years. Although many of these loans and concessions were conceived and obtained by and through bribery, coercion, and intimidation, it is not now proposed to repudiate all of them, but to liquidate those which have any sound status in equity in a way that will remove them as a disturbing political factor in international affairs and as obstacles to China's internal progress. The means to finance this liquidation would be provided under Number 10, which also would provide for the currency reform mentioned in Number 7.

It is probable that the question included in article Number 4 contains serious difficulties; yet it should not if the principal powers are sincere and far-sighted in their recent professions. This article would embrace the leased territories of Kiaochou (Tsingtau), Weihaiwei and Kwangtung (Port Arthur and Dalny), and in its complete meaning also would include the so-called "foreign settlements" at the various principal treaty ports. Attention, however, is called to the proviso that these leased regions and municipal settlements would remain under international jurisdiction until, according to stipulation, China should be judged capable of taking over the full administration. Such a system seems entirely compatible with any practical plan for a league of nations, which presumably must have a supervisory body and a method to deal with the affairs of the weaker and temporarily disorganized nations.

Article Number 9 probably will arouse greater opposition than any of the others in my list. It is certain that a majority of foreigners, who live in and know China and who may be willing to grant all of the other ten articles, will enter strong objections to the abolition of extra-territoriality now. But, I hasten to point out, the article as I have drawn it does not call for the immediate or even the early abolition of extra-territoriality. It is true that a radical section of the Young China party have taken this occasion to agitate for the immediate abolition of extra-territoriality, but they are getting little serious approval even among the Chinese. I am sure, from having discussed the subject with many of the politically intelligent Chinese class, that the substantial elements in Chinese society would not approve having the extra-territorial system abolished suddenly and before China has organized something to take its place. The present system, anomalous and galling to Chinese pride as it undoubtedly is, nevertheless does throw about even Chinese business and property safeguards that otherwise would be lacking. Foreigners residing in China and foreign business and property interests there would regard the early substitution of Chinese authority for the extra-territorial system as criminal recklessness. Yet in recent years I have become aware of a disposition among those foreign residents who reflect seriously about conditions there and the future, to realize that the present system cannot be considered permanent, and there is a feeling that a plan should be devised that not only would promise to restore to the Chinese the full administration of law in their own country (such international promises already exist), but would also have a working method to bring such a condition about by aiding China to establish it. I believe such a plan to be feasible, and that an accommodation of foreign powers to meet the spirit of article Number 9 in the previous list need not alarm foreign interests or enterprises in China; on the contrary, I think the eventual result will greatly benefit and extend foreign trade and investments in China.

In 1918 Mr. Charles Denby visited China as a special official of the American Government. His work was chiefly in connection with the activities and regulations of the War Trade Board, but Mr. Denby took advantage of his sojourn to study anew the situation of China in other than commercial matters. He had many qualifications for such investigation. His youth, when his father was American minister at Peking, and much of his adult life were spent in China. He has been associated with such Chinese officials as Li Hung Chang and Yuan Shih K'ai, and later was United States Consul-General at Shanghai. Mr. Denby evolved a plan by which the Western powers can aid China in preparing for the abolition of extra-territoriality by a gradual process, which was submitted to the state department in a memorandum. This plan is, having given reasonable notice of the change, to abolish all foreign courts in China, these to be replaced by Chinese courts after the order of the present mixed court at Shanghai. As a preliminary to this change, China would be required and aided to establish a department of justice, having direction of all courts in the nation, and also over the courts with jurisdiction of foreigners and foreign legal causes. The leading official of the department of justice, next to the minister of justice, would be a foreigner, just as in the Maritime Customs and Salt Gabelle administrations. Foreigners also would be a part of the machinery of all the mixed courts, but under the department of justice, not under various foreign consulates, as now. In time, by this process, it is hoped that China would reach a point when she could safely be entrusted with the sole administration of justice. By the Denby plan, however, extra-territoriality is not to be fully abolished until China, in the opinion of the powers, has fully qualified to act by herself. Under a department of justice, with foreign legal advisers, the legal codes could be brought up to date, and the administration of justice completely reorganized. A government law college, with foreign as well as Chinese instructors, would educate young Chinese for legal and judicial careers. That, in brief, is an outline of the plan proposed by Mr. Denby. He submitted it, I understand, to many legal authorities, including Judge Lobingier of the United States Court for China, to Dr. W. W. Willoughby, former adviser on constitutional law to the Chinese Government, and to W. C. Dennis, now legal adviser to the Chinese Government, all of whom thought favorably of it.

I firmly believe that the time has come when it not only is safe, but it is necessary in the interest of foreigners as well as of China, to devise a way to eliminate the anomaly of extra-territoriality. This of course does not mean that extra-territoriality should be at once, or even quickly, abolished. As I understand the Denby plan, it almost surely would require twenty years, and might take even longer than that, before a sound organization for the administration of justice in China could be created. But that plan would provide a practical way to attain that goal, whereas the present system merely stands still, tending to extend and perhaps to perpetuate itself. The complete abolition of extra-territoriality of course would depend and be contingent upon a decision of the powers, or of a League of Nations, that China had fulfilled the stipulated requirements.

Candid foreign students of conditions in China have felt for some time that a system of continuing and perpetuating the existing status of foreigners in China had outworn its usefulness, and should be changed as much in the interest of foreigners and foreign trade as in justice to the legitimate aspirations of Chinese. Any condition that causes resentment among Chinese at the presence and status of foreigners in their country must operate as a handicap to the development of good relations between them, and to the development of foreign trade. If the same protection can be thrown about the persons, property, and legal rights of foreigners residing in China by a new class of courts administered under a reorganized department of justice, as these now have under the foreign and mixed courts in the foreign settlements, and Chinese sentiment can be appeased thereby, it is worth considering.

The fact is that extra-territoriality as now practised, coupled with certain other events and tendencies, are placing Western interests in China somewhat at a disadvantage. For instance, by encroachments upon Chinese administrative autonomy in Manchuria, Shantung, and in other parts of China, and by provisions enforced on China by the so-called agreement of 1915, Japan has managed to establish for her subjects in China a preferential position and extra-legal status. The Japanese are now able to travel and reside and do business anywhere in China, and they carry with them wherever they go the protection of Japanese laws. Now, the disadvantages that foreign residents of Japan are under because of the peculiar administration and interpretation of Japanese laws when foreigners are involved vis-à-vis Japanese are too well known for it to be necessary to give details here. By the process of their penetration of China in the last few years Japanese are carrying with them to the vast hinterland of China, outside the treaty ports, where the extra-territorial position of other foreigners is confined, the same advantages over foreigners in commercial legal status and security that Japanese have over foreigners in Japan. The only protection foreigners in China other than Japanese have against this process is either in the extension of extra-territoriality over the whole of China, the restriction of Japanese to the position of other foreigners, or the creation of a system for all China that will make all foreigners equal under the laws and before the courts. In China it is notorious that the Japanese consular courts in the treaty ports will not properly punish Japanese for minor and even for serious offenses, and that it is virtually useless for other foreigners and Chinese to sue Japanese in the Japanese consular courts. This condition, coupled with the presence of Japanese gendarmes and police, frequently leads to serious clashes between Chinese and Japanese, and sometimes even between other foreigners and Japanese. By recent treaties wrung from China under menace, and by quasi-occupation of large regions in China, Japan now in effect has extended the jurisdiction of Japanese law and Japanese courts over Japanese in all parts of China, and with the same results that appear in the treaty ports and in Japan.

An important point in laying the foundations for a modern legal system for China is the character of the system to be given to or selected by her, and handed on as the permanent code for future generations of Chinese and foreign residents to live under. In modernizing her jurisprudence, Japan copied the German code, with changes which did not improve it any from the point of view of peoples accustomed to the Anglo-Saxon system. If Japan obtains control or direction of China's legal administration, it will without doubt be modeled after that in Japan, which is a Nipponized version of the German system. While the German code may have much in it that is well applicable to Oriental peoples in the process of shifting from old to new forms of government, Americans and British in China, who of western foreigners have the predominating population and vested and trade interests, probably will prefer to see China, in shaping her course on democratic lines, adopt or adapt Anglo-Saxon legal practices and principles. The more nearly the new China harmonizes with the administrative forms of the leading democratic nations of the West, the easier it should be to maintain a sympathy and understanding between Chinese and those western peoples, and to extend their international and personal relations.

For many years the American Government has desired, and at times has made efforts, to solve the difficulty embodied in article Number 2 of my list. The proposal of Mr. P. C. Knox, when he was secretary of state, to neutralize the railways in Manchuria, and its defeat by a combination of Russia, Japan, Great Britain, and France, will be readily recalled.[1] But with the passing of time conditions in the world have changed, and, let us hope, some lessons have been learned. The powers that survive the Great War may now see the advisability of discontinuing the system of playing the railway game in China (and in other regions, too) for their own strategical interests, on the old theory of the balance of power. That will mean the complete and perhaps final abandonment by some of them of long-cherished imperialist designs and ambitions. They already have abjured these ambitions in pronouncement; will they now relinquish them in practice? In discussing the railway question with informed persons I have found a general belief that the old system must be abandoned not only in justice to China, but also in the interest of world peace. While different men have different thoughts about methods, those with whom I have talked recently are almost unanimous in agreeing upon principles. In the article as I have phrased it, it asks for the "nationalization and international neutralization of *all* railways in China." Used in this connection, nationalization and international neutralization amount substantially to the same thing, or would accomplish the same results, working together. What I mean is, the railways to be nationalized under the ownership and administration of the Chinese Government, to focus control; while the foreign investments in them and the foreign supervision over them necessary to protect the investments and assure efficient administration should be neutralized, or, in other words, made international in character, similar to the Maritime Customs and Salt administrations. In drafting such a plan I can think of no better model than Mr. Knox's proposal about railways in Manchuria, advanced in 1909, as to the principle it displays.

---

[1] A full account of this proposal, with the official representations of the various governments about it, is given in Chapter I of the author's book, "Our Eastern Question."

To finance the various liquidations embraced in this case of China and the administrative reforms which it contemplates, will require some hundreds of millions of dollars. Much of this sum would be used to retire debts now existing, and the remainder would be used to promote constructive measures. In this connection, it is pertinent to point out that among large nations China is to-day, next perhaps to the United States, in the most solvent condition fundamentally. By this I mean that her debts, as compared with her realizable resources, are comparatively small. Unfortunately, however, it is not feasible now to entrust the Chinese Government with the exclusive administration of the country's fiscal affairs. The disturbed and divided condition of the country, the lack of modern administrative technic, and other causes, combine to detain China as yet in the class of nations not quite able to dispense with outside help. Almost all educated Chinese, except a few of the radical Young China party, now openly say that China is at present incapable of straightening out her affairs, and that she needs foreign help. They want this help to be temporary, and given with a view to making China eventually able to dispense with it altogether. They realize that such foreign help will of necessity carry with it a degree of foreign assistance and supervision in China's administration, and they are ready to accept this. In view of the semi-dependent state of many nations that were recently proud and powerful, sensible Chinese begin to see that it would be a false and foolish pride that would pretend that China is independent of foreign influence, counsel, and aid.

But with regard to this matter of foreign financial and administrative aid and supervision, there is one condition that is absolutely essential to make it acceptable to the Chinese. This condition is that the United States will be an active participator, if not the recognized leader, in its organization. It is safe to say that no international consortium that does not include the United States, or any plan that does not receive the approval and coöperation of America, with respect to China, will now be acceptable to Chinese.

By its action, early in the first administration of Woodrow Wilson as President, in withdrawing from the six-power financial group that was organized to finance administrative reform in China, the American Government had taken a stand against any participation in financing in China that would impair, or that could be construed as impairing, China's political autonomy. Certain provisions of the reorganization loan agreement had seemed to the American Government then as having that tendency and perhaps that purpose. After that withdrawal, various attempts were made to secure independent American loans by the Chinese Government, but with the exception of the small loan made by the Continental & Commercial Bank of Chicago, they resulted in failure because, as it seemed to American financiers, the policy of the American Government did not sufficiently protect their investments. To remedy this situation, and probably also realizing that changes in world conditions relating to the policy of the United States applied also to China, the state department announced, on July 29, 1918, its policy with regard to loans in China as follows: [My italics.]

> *China declared war against Germany very largely because of the action of the United States.* Therefore this Government has felt a special interest in the desire of China so to equip herself as to be of more specific assistance in the war against the Central Powers.

Until the present time the engagements of the United States in preparing to exert effectively its strength in the European theatre of war has operated to prevent specific constructive steps to help China realize her desires. Recently, however, this Government felt that, because of the approach to Chinese territory of the scenes of disorder, a special effort should be made to place proper means at the disposal of China. Consequently a number of American bankers, who had been interested in the past in making loans to China and who had had experience in the Orient, were called to Washington and asked to become interested in the matter. The bankers responded very promptly and an agreement has been reached between them and the Department of State which has the following salient features:

First—The formation of a group of American bankers to make a loan or loans and to consist of representatives from different parts of the country.

Second—An assurance on the part of the bankers that they will co-operate with the Government and follow the policies outlined by the Department of State.

Third—Submission of the names of the banks who will compose the group for approval by the Department of State.

Fourth—Submission of the terms and conditions of any loan or loans for approval by the Department of State.

Fifth—Assurances that, if the terms and conditions of the loan are accepted by this Government and by the Government to which the loan is made, in order to encourage and facilitate the free intercourse between American citizens and foreign States which is mutually advantageous, the Government will be willing to aid in every way possible and to make prompt and vigorous representations and to take every possible step to insure the execution of equitable contracts made in good faith by its citizens in foreign lands.

It is hoped that the American group will be associated with bankers of Great Britain, Japan, and France. Negotiations are now in progress between the Government of the United States and those Governments which it is hoped will result in their co-operation and in the participation by the bankers of those countries in equal parts in any loan which may be made.

Following that announcement, a group of American bankers was formed to take up the matter of American participation in loans in China, and it began investigations of all conditions relating to the fiscal obligations of that country. The news that the American Government would support loans to China was received in China with enthusiasm, and the natural expectation of most Chinese was that an American loan would be forthcoming immediately. Those expectations, of course, were disappointed, for owing to the world situation and the need to clarify the various international relationships involved in financing China, and to formulate a comprehensive plan acceptable to all the powers or to a majority of them, it was not advisable to move prematurely. The expected American loan, therefore, was delayed, and is still pending, thereby prolonging the lease of life of the Japanese loan orgy. An international plan for the financial support and relief of China should be—one may put it *must be*, if we are to secure order in the far East—a result of the conditions of peace and the machinery for its preservation.

In connection with American participation in loans to China hereafter, one point needs to be made clear. The American financial policy in China must keep absolutely free of any association with Japanese business methods there, and with Japan's political policy as it has been expressed in recent years. All important American financial operations in China should be under the supervision and only with the approval of the American Government, and should conform to whatever plan for international cooperation that is adopted. For instance, American capital should not become associated with distinctly or exclusively Japanese railway or mining schemes in China. In the last year or two Japanese, by methods which are described previously, have obtained many so-called "concessions" for railways and other industrial enterprises there. The validity of many of these concessions is dubious; and some of them are purely strategical in character. As an example of this, take certain projected railways in Manchuria and Mongolia which Japan has forced China to grant. They have no tangible commercial basis at this time. Their real purpose is to strengthen Japan's position in those regions in a military sense; and they will weaken China's defensive position.

Judge, therefore, the feelings of Chinese if hereafter Japan should obtain the capital in America to develop and exploit her strategical position in China! Such use of American capital not only will be invidious to China, but it also will be invidious to American commercial interests there, and to the thesis of the policy of the American Government.

A careful analysis of the foregoing eleven articles and the methods by which they of necessity would become practicable at once suggests the thought that such a settlement will in some respects extend foreign authority in China, rather than diminish it. This is true. But foreign friends of China, and also enlightened Chinese, ought frankly to face the truth, that in order to deliver China from foreign quasi-domination it is necessary to use foreign administrative efficiency. We have this paradox: that to diminish foreign intervention in China's administrative processes it is first necessary to increase it. But the new conditions would be very different from those that have burdened China for the last half century. They would differ not only in form and application, but in purpose. An enlightened foreign assistance, under the ægis of a league of nations, having the object of restoring China's complete administrative and fiscal autonomy by educating Chinese in modern methods and tranquilizing the country, would carry a real hope for that people and a real benefit to the world.

Article Number 11 of my list scarcely permits of qualification or extenuation, as most of the other articles do. It refers to a condition that is an open and flagrant outrage upon China, the usurpation in large regions of her administration functions, and their restriction under the intimidation of foreign military occupation. First introduced by Russia in connection with the policing of the Chinese Eastern Railway zone, the system was greatly extended by Japan when she by conquest secured the reversion of Russia's rights in southern Manchuria, and later was extended over nearly the whole of Shantung province. This system has even been implanted in the heart of China by Japanese police supervision of coal- and iron-mines and plants in the Yangtse valley, and by the installation of a Japanese garrison in permanent barracks at Hankow; and the beginnings of the system have recently appeared in Fukien province.

Put succinctly, China's appeal to the democratic nations amounts to a cry to be delivered from the old system of predatory penetration and exploitation by imperialistic powers, and to be allowed, and helped, to work out a peaceful national destiny on democratic lines. The league of nations is not yet perfected or adopted, but its first draft, which received the assent of all the nations represented at Paris, should be satisfactory to China with one proviso. That is how the matter of creating mandatary nations for the supervision, under the league, of weak and backward nations, might be applied in practice. It is evident from the tone of the Japanese press that Japan may be expecting, under that provision, to be nominated the mandatary of the league with respect to China, thereby confirming her "special position" and paramountcy in the far East. Chinese will bitterly resent that, and probably they will rebel with force against such a solution. First, China should not be put in the class of nations or states that require a mandatary guardian; and, second, if China should against her wish be placed under a mandatary, Japan probably is the last nation the Chinese would want to occupy that position. However, the provision that the backward states will be allowed to choose their mandatary guardians, or that they must approve them, seems to safeguard them from being subjected to an objectionable alien supervision.

Taking the case of China *in toto,* it presents almost an ideal test to apply the announced principles of the major nations in prosecuting the war and in making the peace. It contains as yet no extraordinary difficulties, as the case of Russia does; no conglomeration of national and racial problems, as middle Europe does; no such festering caldron of jealousies and hatreds, as the Balkan question does. Yet in the last twenty years China has been developing into a combined Russia, middle Europe, and Balkans, with the antagonistic ambitions of several powerful nations concentrated on a struggle to control her, or to possess the lion's share of her remains. What this situation leads to in international affairs has been sufficiently demonstrated by recent events. If China's case does not get sympathetic attention and just treatment by the world, it will not be possible for any one who knows the realities of international politics hereafter to hear their altruistic professions with any confidence or respect.

APPENDICES

APPENDIX A

THE HAY DOCTRINE

NOTES AND TREATIES BETWEEN THE POWERS AFFIRMING THE COMMERCIAL PRINCIPLE OF THE "OPEN DOOR" AND DECLARING THEIR INTENTION TO RESPECT THE INDEPENDENCE AND TERRITORIAL INTEGRITY OF CHINA, AND SEPARATE AGREEMENTS AMONG THE POWERS CONCERNING, AND DEFINING THEIR RESPECTIVE "SPHERES OF INTEREST" AND "SPECIAL POSITIONS" IN CHINA.

I.

MR. HAY, AMERICAN SECRETARY OF STATE, TO MR. WHITE, AMERICAN AMBASSADOR TO GERMANY

Department of State,
Washington, September 6, 1899.

Sir:

At the time when the Government of the United States was informed by that of Germany that it had leased from His Majesty the Emperor of China the port of Kiaochou and the adjacent territory in the province of Shantung, assurances were given to the Ambassador of the United States at Berlin by the Imperial German Minister for Foreign affairs that the rights and privileges insured by treaties with China to citizens of the United States would not thereby suffer or be in anywise impaired within the area over which Germany had thus obtained control.

More recently, however, the British Government recognized by a formal agreement with Germany the exclusive right of the latter country to enjoy in said leased area and the contiguous "sphere of influence or interest" certain privileges, more especially those relating to railroads and mining enterprises; but, as the exact nature and extent of the rights thus recognized have not been clearly defined, it is possible that serious conflicts of interests may at any time arise, not only between British and German subjects within said area, but that the interests of our citizens may also be jeopardized thereby.

Earnestly desirous to remove any cause of irritation and to insure at the same time to the commerce of all nations in China the undoubted benefits which should accrue from a formal recognition by the various Powers claiming "spheres of interest" that they shall enjoy perfect equality of treatment for their commerce and navigation within such "spheres," the Government of the United States would be pleased to see His German Majesty's Government give formal assurances, and lend its coöperation in securing like assurances from the other interested Powers, that each within its respective sphere of whatever influence—

First. Will in no way interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The liberal policy pursued by His Imperial German Majesty in declaring Kiaochou a free port and in aiding the Chinese Government in the establishment there of a custom-house are so clearly in line with the proposition which this Government is anxious to see recognized that it entertains the strongest hope that Germany will give its acceptance and hearty support.

The recent Ukase of His Majesty the Emperor of Russia declaring the port of Ta-lien-wan open during the whole of the lease under which it is held from China to the merchant ships of all nations, coupled with the categorical assurances made to this Government by His Imperial Majesty's representative at this capital at the time, and since repeated to me by the present Russian Ambassador, seem to insure support of the Emperor to the proposed measure. Our Ambassador at the Court of St. Petersburg has in consequence been instructed to submit it to the Russian Government and to request their early consideration of it. A copy of my instruction on the subject to Mr. Tower is herewith enclosed for your confidential information.

The commercial interests of Great Britain and Japan will be so clearly served by the desired declaration of intentions, and the views of the Governments of these countries as to the desirability of the adoption of measures insuring the benefits of equality of treatment of all foreign trade throughout China are so similar to those entertained by the United States, that their acceptance of the proposition herein outlined and their coöperation in advocating their adoption by the other Powers can be confidently expected. I enclose herewith copy of the instruction which I have sent to Mr. Choate on the subject.

In view of the present favorable conditions, you are instructed to submit the above considerations to His Imperial German Majesty's Minister for Foreign Affairs, and to request his early consideration of the subject.

Copy of this instruction is sent to our Ambassadors at London and at St. Petersburg for their information.

I have, etc.

John Hay.

COUNT VON BULOW, HIS IMPERIAL GERMAN MAJESTY'S MINISTER FOR FOREIGN AFFAIRS, TO MR. WHITE

(Translation.)

Foreign Office,
Berlin, February 19, 1900.

Mr. Ambassador:

Your Excellency informed me, in a memorandum presented on the 24th of last month, that the Government of the United States of America had received satisfactory written replies from all the Powers to which an inquiry had been addressed similar to that contained in Your Excellency's note of September 26 last, in regard to the policy of the open door in China. While referring to this, Your Excellency thereupon expressed the wish that the Imperial Government would now also give its answer in writing.

Gladly complying with this wish, I have the honor to inform Your Excellency, repeating the statements already made verbally, as follows: As recognized by the Government of the United States of America, according to Your Excellency's note referred to above, the Imperial Government has, from the beginning, not only asserted, but also practically carried out to the fullest extent in its Chinese possessions absolute equality of treatment of all nations with regard to trade, navigation, and commerce. The Imperial Government entertains no thought of departing in the future from this principle, which at once excludes any prejudicial or disadvantageous commercial treatment of the citizens of the United States of America, so long as it is not forced to do so, on account of considerations of reciprocity, by a divergence from it by other governments. If, therefore, the other Powers interested in the industrial development of the Chinese Empire are willing to recognize the same principles, this can only be desired by the Imperial Government, which in this case upon being requested will gladly be ready to participate with the United States of America and the other Powers in an agreement made upon these lines, by which the same rights are reciprocally secured.

I avail myself, etc.

Bülow.

II.

BRITISH AND GERMAN AGREEMENT RE RAILWAY CONSTRUCTION IN CHINA

Minutes of Meeting held at New Court, St. Swithen's Lane, London, on the 1st and 2nd September, 1898.

Present:—Representing the German Syndicate—M.A. von Hansemann. Representing the British and Chinese Corporation, Ltd.—Mr. W. Keswick. Representing the Hongkong and Shanghai Banking Corporation—Mr. Ewen Cameron, Mr. Julius Brussel.

M. von Hansemann proposed the following:—"It is desirable for the British and German Governments to agree about the sphere of interest of the two countries regarding the railway constructions in China, and to mutually support the interest of either country." This proposal was agreed to.

The following proposal of M. von Hansemann regarding the British and German spheres of interest for applications for Railway concessions in China, viz.

"1.—British sphere of interest, viz.—The Yangtze Valley, subject to the connection of the Shantung lines to the Yangtze at Chinkiang: the provinces south of the Yangtze; the province of Shansi with connection to the Peking-Hankow line at a point south of Chengting and a connecting line to the Yangtze Valley, crossing the Hoangho Valley.

"2.—German sphere of interest, viz.—The Province of Shantung and the Hoangho Valley with connection to Tientsin and Chengting, or other point of the Peking-Hankow line, in the south with connection to the Yangtze at Chinkiang or Nanking. The Hoangho Valley is understood to be subject to the connecting lines in Shansi forming part of the British sphere of interest, and to the connecting line to the Yangtze Valley, also belonging to said sphere of interest."

Was agreed to with the following alterations, viz.—"The line from Tientsin to Tsinan, or another point of the northern frontier of the Province of Shantung, and the line from the southern point of the Province of Shantung to Chinkiang to be constructed by the Anglo-German Syndicate (meaning the German Syndicate on the one part, and the Hongkong and Shanghai Banking Corporation and the British and Chinese Corporation, Limited, on the other part) in the following manner, viz.—

"1—The capital for both lines to be raised jointly.

"2—The line from Tientsin or Tsinan or another point on the northern frontier of the Province of Shantung to be built and equipped and worked by the German group.

"3—The line from the southern point of the province of Shantung to Chinkiang to be built and equipped and worked by the English Group.

"4—On completion the lines to be worked for joint account." So far the minutes of the proceedings of the meetings, and it is further agreed upon that neither the German Group nor the English Group will be bound to construct the lines assigned to their sphere unless the Shantung lines be constructed simultaneously.

Signed London, September 2, 1898.

Approved of and signed by A. VON HANSEMANN, W. KESWICK, EWEN CAMERON, JULIUS BRUSSEL.

III.

AGREEMENT BETWEEN GREAT BRITAIN AND GERMANY DEFINING THEIR MUTUAL POLICY IN CHINA

SIGNED AT LONDON, 16TH OCTOBER, 1900

Her Britannic Majesty's Government and the Imperial German Government being desirous to maintain their interests in China and their rights under existing Treaties, have agreed to observe the following principles in regard to their mutual policy in China:

1.—It is a matter of joint and permanent international interest that the ports on the rivers and littoral of China should remain free and open to trade and to every legitimate form of economic activity for the nationals of all countries without distinction; and the two

Governments agree on their part to uphold the same for all Chinese territory as far as they can exercise influence.

2.—Her Britannic Majesty's Government and the Imperial German Government will not, on their part, make use of the present complication to obtain for themselves any territorial advantages in Chinese dominions, and will direct their policy towards maintaining undiminished the territorial condition of the Chinese Empire.

3.—In case of another Power making use of the complications in China in order to obtain under any form whatever such territorial advantages, the two Contracting parties reserve to themselves to come to a preliminary understanding as to the eventual steps to be taken for the protection of their own interests in China.

4.—The two Governments will communicate this Agreement to the other Powers interested, and especially to Austria-Hungary, France, Italy, Japan, Russia, and the United States of America, and will invite them to accept the principles recorded in it.

SALISBURY.
HATZFELDT.

DECLARATION BY GREAT BRITAIN RESPECTING WEIHAIWEI

APRIL 19, 1898

England formally declares to Germany that in establishing herself at Weihaiwei, she has no intention of injuring or contesting the rights and interests of Germany in the Province of Shantung, or of creating difficulties for her in that province. It is especially understood that England will not construct any railroad communication from Weihaiwei and the district leased therewith into the interior of the Province of Shantung.

IV.

IDENTIC NOTES EXCHANGED BETWEEN THE UNITED KINGDOM AND RUSSIA WITH REGARD TO THEIR RESPECTIVE RAILWAY INTERESTS IN CHINA

April 28, 1899.

SIR C. SCOTT TO COUNT MOURAVIEFF

The undersigned, British Ambassador, duly authorized to that effect, has the honor to make the following declaration to His Excellency Count Mouravieff, Russian Minister for Foreign Affairs.

Great Britain and Russia, animated by a sincere desire to avoid in China all cause of conflict on questions where their interests meet, and taking into consideration the economic and geographical gravitation of certain parts of that Empire, have agreed as follows:

1. Great Britain engages not to seek for her own account, or on behalf of British subjects or of others, any railway concessions to the north of the Great Wall of China, and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the Russian Government.

2. Russia, on her part, engages not to seek for her own account, or on behalf of Russian subjects or of others, any railway concessions in the basin of the Yangtze and not to obstruct, directly or indirectly, applications for railway concessions in that region supported by the British Government.

The two Contracting Parties, having nowise in view to infringe in any way the sovereign rights of China or existing Treaties, will not fail to communicate to the Chinese Government the present arrangement, which, by averting all cause of complications between them, is of a nature to consolidate peace in the far East, and to serve the primordial interests of China herself.

CHARLES S. SCOTT.

St. Petersburg, April 28, 1899.

SIR C. SCOTT TO COUNT MOURAVIEFF

In order to complete the notes exchanged this day respecting the partition of spheres for concessions for the construction and working of railways in China, it has been agreed to record in the present additional note the agreement arrived at with regard to the line Shanhaikwan-Newchwang, for the construction of which a loan has been already contracted by the Chinese Government with the Shanghai-Hongkong Bank, acting on behalf of the British and Chinese Corporation.

The general arrangement established by the above-mentioned notes is not to infringe in any way the rights acquired under the said Loan Contract, and the Chinese Government may appoint both an English engineer and an European accountant to supervise the construction of the line in question, and the expenditure of the money appropriated to it.

But it remains understood that this fact cannot be taken as constituting a right of property or foreign control, and that the line in question is to remain a Chinese line, under the control of the Chinese Government, and cannot be mortgaged or alienated to a non-Chinese Company.

As regards the branch line from Siaohieshan to Simmintin, in addition to the aforesaid restrictions, it has been agreed that it is to be constructed by China herself, who may permit European—not necessarily British—engineers to periodically inspect it, and to verify and certify that the work is being properly executed.

The present special agreement is naturally not to interfere in any way with the right of the Russian Government to support, if it thinks fit, applications of Russian subjects or establishments for concessions for railways, which, starting from the main Manchurian line in a southwesterly direction, would traverse the region in which the Chinese line terminating at Simmintin and Newchwang is to be constructed.

Charles S. Scott.

St. Petersburg, April 28, 1899.

The same, *mutatis mutandis*, was sent the same day by Count Mouravieff, Russian Minister for Foreign Affairs, to Sir Charles Scott.

V.

FRANCO-JAPANESE ARRANGEMENT

Signed at Paris, June 10, 1907.

ARRANGEMENT

The Government of His Majesty the Emperor of Japan and the Government of the French Republic, animated by the desire to strengthen the relations of amity existing between them, and to remove from those relations all cause of misunderstanding for the future, have decided to conclude the following Arrangement:

"The Governments of Japan and France, being agreed to respect the independence and integrity of China, as well as the principle of equal treatment in that country for the commerce and subjects or citizens of all nations, and having a special interest to have the order and pacific state of things preserved especially in the regions of the Chinese Empire adjacent to the territories where they have the rights of sovereignty, protection or occupation, engage to support each other for assuring the peace and security in those regions, with a view to maintain the respective situation and the territorial rights of the two High Contracting Parties in the Continent of Asia."

In witness whereof, the Undersigned: His Excellency Monsieur Kurino, Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan to the President of the French Republic, and His Excellency Monsier Stephen Pichon, Senator, Minister for Foreign Affairs, authorized by their respective Governments, have signed this Agreement and have affixed thereto their seals.

Done at Paris, the 10th of June, 1907.

(L. S.) S. Kurino.
(L. S.) S. Pichon.

DECLARATION

The two Governments of Japan and France, while reserving the negotiations for the conclusion of a Convention of Commerce in regard to the relations between Japan and French Indo-China, agree as follows:

The treatment of the most favored nation shall be accorded to the officers and subjects of Japan in French Indo-China in all that concerns their persons and the protection of their property, and the same treatment shall be applied to the subjects and protégés of French Indo-China in the Empire of Japan, until the expiration of the Treaty of Commerce and Navigation signed between Japan and France on the 4th of August, 1896.

Paris, the 10th of June, 1907.

(L. S.) S. Kurino.
(L. S.) S. Pichon.

VI.

CONVENTION BETWEEN JAPAN AND RUSSIA

Signed July 30, 1907

The Government of His Majesty the Emperor of Japan and the Government of His Majesty the Emperor of All the Russias, desiring to consolidate the relations of peace and good neighborhood which have happily been reëstablished between Japan and Russia, and wishing to remove for the future every cause of misunderstanding in the relations of the two Empires, have agreed to the following arrangements:—

Article I.—Each of the High Contracting Parties engages to respect the actual territorial integrity of the other, and all the rights accruing to one and the other Party from treaties, conventions and contracts in force between them and China, copies of which have been exchanged between the Contracting Parties (in so far as these rights are not incompatible with the principle of equal opportunity) of the Treaty signed at Portsmouth on the 5th day of September

(23rd of August) 1905, as well as the special conventions concluded between Japan and Russia.

Art. II.—The two High Contracting Parties recognize the independence and the territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that empire, and engage to sustain and defend the maintenance of the *status quo* and respect for this principle by all the pacific means within their reach.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Convention and have affixed their seals.

Done at St. Petersburg, the 30th day of the 7th month of the 40th year of *Meiji*, corresponding to the 30th (17th) of July, 1907.

(Signed) I. Motono.
(Signed) Iswolsky.

VII

NOTES EXCHANGED BETWEEN THE UNITED STATES AND JAPAN, NOVEMBER 30, 1908, DECLARING THEIR POLICY IN THE FAR EAST

Imperial Japanese Embassy, Washington,
November 30, 1908.

Sir:

The exchange of views between us, which has taken place at the several interviews which I have recently had the honor of holding with you, has shown that Japan and the United States holding important outlying insular possessions in the region of the Pacific Ocean, the Governments of the two countries are animated by a common aim, policy, and intention in that region.

Believing that a frank avowal of that aim, policy, and intention would not only tend to strengthen the relations of friendship and good neighborhood, which have immemorially existed between Japan and the United States, but would materially contribute to the preservation of the general peace, the Imperial Government have authorized me to present to you an outline of their understanding of that common aim, policy, and intention:

1. It is the wish of the two Governments to encourage the free and peaceful development of their commerce on the Pacific Ocean.

2. The policy of both Governments, uninfluenced by any aggressive tendencies, is directed to the maintenance of the existing *status quo* in the region above mentioned and to the defense of the prin-

ciple of equal opportunity for commerce and industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each other in said region.

4. They are also determined to preserve the common interest of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the *status quo* as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

If the foregoing outline accords with the view of the Government of the United States, I shall be gratified to receive your confirmation.

I take this opportunity to renew to Your Excellency the assurance of my highest consideration.

K. Takahira.

Honorable Elihu Root,
Secretary of State.

Department of State,
Washington, November 30, 1908.

Excellency:

I have the honor to acknowledge the receipt of your note of today setting forth the result of the exchange of views between us in our recent interviews defining the understanding of the two Governments in regard to their policy in the region of the Pacific Ocean.

It is a pleasure to inform you that this expression of mutual understanding is welcome to the Government of the United States as appropriate to the happy relations of the two countries and as the occasion for a concise mutual affirmation of that accordant policy respecting the far East which the two Governments have so frequently declared in the past.

I am happy to be able to confirm to Your Excellency, on behalf of the United States, the declaration of the two Governments embodied in the following words:

1. It is the wish of the two Governments to encourage the free and peaceful development of their commerce on the Pacific Ocean.

2. The policy of both Governments, uninfluenced by any agressive tendencies, is directed to the maintenance of the existing *status quo* in the region above mentioned, and to the defense of the principle of equal opportunity for commerce and industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each other in said region.

4. They are also determined to preserve the common interests of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in that Empire.

5. Should any event occur threatening the *status quo* as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

Accept, Excellency, the renewed assurance of my highest consideration.

ELIHU ROOT.

His Excellency
BARON KOGORO TAKAHIRA.

VIII.

EXTRACTS FROM THE ANGLO-JAPANESE ALLIANCE TREATIES, RELATING TO THE HAY DOCTRINE

(SECOND ALLIANCE TREATY, SIGNED AT LONDON, AUGUST 12, 1905)

(b) The preservation of the common interest of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China.

(THIRD ALLIANCE TREATY, SIGNED JULY 13, 1911)

B.—The preservation of the common interests of all the Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China.

APPENDIX B

JAPAN'S DIPLOMATIC DEMANDS ON CHINA IN 1905, WITH THE ORIGINAL SECRET TWENTY-ONE ARTICLES, THE ELEVEN ARTICLES PRESENTED TO THE POWERS INCORRECTLY REPRESENTING JAPAN'S DEMANDS, THE REVISED DEMANDS, THE CHINESE GOVERNMENT'S OFFICIAL STATEMENT OF THE NEGOTIATIONS, AND THE AGREEMENT AND NOTES WHICH CHINA WAS COMPELLED TO SIGN.

THE ORIGINAL TWENTY-ONE DEMANDS

I

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations agree to the following articles:

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions, which Germany by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. The Chinese Government engages that within the Province of Shantung and along its coast, no territory or island will be ceded or leased to a third Power under any pretext.

Article 3. The Chinese Government consents to Japan's building a railway from Chefoo or Lungkou to join the Kiaochou-Tsinanfu Railway.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as commercial ports. What places shall be opened are to be jointly decided upon in a separate agreement.

II

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and eastern inner Mongolia, agree to the following articles:

Article 1. The two contracting parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of ninety-nine years.

Article 2. Japanese subjects in South Manchuria and eastern inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article 3. Japanese subjects shall be free to reside and travel in south Manchuria and eastern inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

Article 4. The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in south Manchuria and eastern Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

Article 5. The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in south Manchuria and eastern inner Mongolia.

(b) Whenever a loan is to be made with a third Power pledging the local taxes of south Manchuria and eastern inner Mongolia as security.

Article 6. The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in south Manchuria or eastern Mongolia, the Japanese Government shall first be consulted.

Article 7. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of ninety-nine years dating from the signing of this agreement.

III

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Company, have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:

Article 1. The two contracting parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said company nor cause the said company to dispose freely of the same.

Article 2. The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said company, to be worked by other persons outside of the said company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said company, the consent of the said company shall first be obtained.

IV

The Japanese Government and the Chinese Government with the object of effectively preserving the territorial integrity of China agree to the following special article:

The Chinese Government engages not to cede or lease to a third Power any harbor or bay or island along the coast of China.

V

Article 1. The Chinese Central Government shall employ influential Japanese as advisers in political, financial, and military affairs.

Article 2. Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

Article 3. Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

Article 4. China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent. or more of what is needed by the Chinese Government) or that there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

Article 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

Article 6. If China needs foreign capital to work mines, build railways and construct harbor-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

Article 7. China agrees that Japanese subjects shall have the right of missionary propaganda in China.

THE INCORRECT VERSION OF JAPAN'S DEMANDS AS COMMUNICATED BY THE JAPANESE GOVERNMENT TO THE OTHER POWERS IN RESPONSE TO THEIR INQUIRIES.

I.—In relation to the Province of Shantung.

1.—Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests and concessions, which in virtue of treaties or otherwise Germany possesses in relation to the Province of Shantung.

2.—Engagement not to alienate or lease upon any pretext the Province of Shantung or any portion thereof and any island lying near the coast of the said province.

3.—Grant to Japan the right of construction of a railway connecting Chifu or Lungkow and the Tsinan-Kiaochou railway.

4.—Addition of open marts in the Province of Shantung.

II.—In relation to south Manchuria and eastern inner Mongolia.

1.—Extension of the terms of the lease of Kwangtung, the South Manchuria Railway, and the Antung-Mukden Railway.

2.—(A). Acquisition by the Japanese of the right of residence and ownership of land.

(B). Grant to Japan of the mining rights of mines specified by Japan.

3.—Obligation on the part of China to obtain in advance the consent of Japan if she grants railway concessions to any third Power, or procures the supply of capital from any Power for railway construction or a loan from any other Power on the security of any duties or taxes.

4.—Obligation on the part of China to consult Japan before employing advisers or tutors regarding political, financial or military matters.

5.—Transfer of the management and control of the Kirin-Changchun Railway to Japan.

III.—Agreement in principle that, at an opportune moment in the future, the Hanyehping Company should be placed under Japanese and Chinese coöperation.

IV.—Engagement in accordance with the principle of the maintenance of the territorial integrity of China, not to alienate or lease any ports and bays on, or any island near, the coast of China.

JAPAN'S REVISED DEMANDS PRESENTED APRIL 26, 1915

Group I

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles:

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests, and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. (Changed into an exchange of notes). The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article 3. The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow, to connect with the Kiaochow-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

Article 4. The Chinese Government engages in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as commercial ports.

(Supplementary exchange of notes.)

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese minister must be consulted before making a decision.

GROUP II

The Japanese Government and the Chinese Government, with a view to developing their economic relations in south Manchuria and eastern inner Mongolia, agree to the following articles:

Article 1. The two contracting Powers mutually agree that the term of lease of Port Arthur and Dalny and the term of the South Manchurian Railway and the Antung-Mukden Railway, shall be extended to 99 years.

(Supplementary exchange of notes.)

The term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement that it may be redeemed by China after 36 years after the traffic is opened is hereby canceled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007.

Article 2. Japanese subjects in south Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Article 3. Japanese subjects shall be free to reside and travel in south Manchuria and to engage in business and manufacture of any kind whatsoever.

Article 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese consul. Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly, in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Article 4. (Changed to an exchange of notes.)

The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in south Manchuria, apart from those mining areas in which mines are being prospected for or worked; until the mining ordinance is definitely settled, methods at present in force shall be followed:

Province of Feng-tien

LOCALITY	DISTRICT	MINERAL
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	Pen-hsi	do.
Sha Sung Kang	Hai-lung	do.
T'ieh Ch'ang	T'ung-hua	do.
Nuan Ti T'ang	Chin	do.
An Shan Chan region	From Liao-yang to Pen-shi	Iron

Province of Kirin (Southern Portion)

Sha Sung Kang	Ho-lung	C. & I.
Kang Yao	Chi-lin (Kirin)	Coal
Chia Pi'i Kou	Hua-tien	Gold

Article 5. (Changed to an exchange of notes.)

The Chinese Government declares that China will hereafter provide funds for building railways in south Manchuria; if foreign capital is required the Chinese Government agrees to negotiate for a loan with Japanese capitalists first.

Article 5a. (Changed to an exchange of notes.)

The Chinese Government agrees that hereafter, when a foreign loan is to be made on the security of the taxes of south Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Central Government), it will negotiate for the loan with Japanese capitalists first.

Article 6. (Changed to an exchange of notes.)

The Chinese Government declares that hereafter if foreign advisers or instructors on political, financial, military, or police matters are to be employed in south Manchuria, Japanese will be employed first.

Article 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers. If, in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers, in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

Chinese Counter-Proposal to Article 7

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this convention, remain in force.

Matters Relating to Eastern Inner Mongolia

1. The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of eastern inner Mongolia, China must negotiate with the Japanese Government first.
2. The Chinese Government agrees that China will herself provide funds for building the railways in eastern inner Mongolia; if foreign capital is required, she must negotiate with the Japanese Government first.
3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain places suitable in eastern inner Mongolia as commercial ports. The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese minister must be consulted before making a decision.
4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

GROUP III

The relations between Japan and the Hanyehping Company being very intimate, if the interested party of the said company comes to an agreement with the Japanese capitalists for coöperation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that, without the consent of the Japanese capitalists, China will not convert the company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

Article IV

China to give a pronouncement by herself in accordance with the following principle:

No bay, harbor, or island along the coast of China may be ceded or leased to any Power.

NOTES TO BE EXCHANGED

A

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang line, the Nanchang-Hangchow Railway, and the Nanchang-Chaochow Railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang Railway, a railway from Nanchang to Hangchow and another from Nanchang to Chaochow, the Chinese Government shall not *grant* the said right to any *foreign Power* before Japan comes to an understanding with the other Power which is heretofore *interested* therein.

NOTES TO BE EXCHANGED

The Chinese Government agrees that no nation whatever is to be permitted to construct, on the coast of Fukien Province, a dockyard, a coaling station for military use, or a naval base; nor to be authorized to set up any other military establishment. The Chinese Government further agrees not to use foreign capital for setting up the above-mentioned construction or establishment.

Mr. Lu, the Minister of Foreign Affairs, stated as follows:

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.
2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.
3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms or that of establishing a joint arsenal.

Mr. Hioki, the Japanese minister, stated as follows:

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.

OFFICIAL STATEMENT BY THE CHINESE GOVERNMENT RESPECTING THE SINO-JAPANESE NEGOTIATIONS NOW BROUGHT TO A CONCLUSION BY CHINA'S COMPLIANCE WITH THE TERMS OF JAPAN'S ULTIMATUM DELIVERED ON MAY 7, 1915.

At three o'clock on the afternoon of May 7, 1915, His Excellency, the Japanese Minister in Peking delivered to the Chinese Government, in person an Ultimatum from the Imperial Japanese Government, with an accompanying Note of seven articles. The concluding sentences of the Ultimatum read thus:

"The Imperial Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock p. m. on the ninth day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time the Imperial Government will take such steps as they may deem necessary."

The Chinese Government, having received and accepted the Ultimatum, feel constrained to make a frank and plain statement of the facts connected with the negotiations which were abruptly terminated by this drastic action on the part of Japan.

The Chinese Government have constantly aimed, as they still aim, at consolidating the friendship existing between China and Japan, and, in this period of travail in other parts of the world, have been particularly solicitous of preserving peace in the far East. Unexpectedly on January 18, 1915, His Excellency the Japanese Minister in Peking, in pursuance of instructions from his Government, adopted the unusual procedure of presenting to his Excellency the President of the Republic of China a list (hereto appended) of twenty-one momentous demands, arranged in five Groups. *The first four Groups were each introduced by a preamble, but there was no preamble or explanation to the fifth Group. In respect of the character of the demands in this Group, however, no difference was indicated in the document between them and those embodied in the prceding Groups.*

Although there was no cause for such a *démarche,* the Chinese Government, in deference to the wishes of the Imperial Japanese Government, at once agreed to open negotiations on those articles which it was possible for China to consider, notwithstanding that it was palpable that the whole of the demands were intended to extend the rights and interests of Japan without securing a *quid pro quo* of any kind for China.

China approached the pending conferences in a spirit of utmost friendliness and with a determination to deal with all questions frankly and sincerely. Before negotiations were actually commenced, the Japanese Minister raised many questions with regard to the number of delegates proposed to represent China, the number of conferences to be held in each week, and the method of discussion. The Chinese Government, though their views differed from those of the Japanese Minister, yielded in all these respects to his contentions in the hope of avoiding any delay in the negotiations. The objections of the Japanese Minister to the customary recording and signing of the minutes of each conference, which the Chinese Government suggested as a necessary and advisable precaution, as well as one calculated to facilitate future reference, were also accepted. Nor did the Chinese Government retaliate in any way when in the course of the negotiations the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion. Even when delay was threatened owing to the unfortunate injury sustained by the Japanese Minister as a result of a fall from his horse, the Chinese delegates, in order to avert interruption, proposed that the conferences should be continued at the Japanese Legation, which proposal was accepted. Later, when, on March 22, the Japanese Government despatched large bodies of troops to South Manchuria and Shantung for the ostensible purpose of relieving the garrison—whose term of service had not then expired—the Japanese Minister stated at the conference, in reply to a direct question as to when the retiring troops would be withdrawn, that this would not be done until negotiations could be brought to a satisfactory conclusion. Although this minatory step caused much excitement, indignation and alarm on the part of the Chinese people, and made it difficult for the Chinese Government to continue the conferences, they successfully exerted efforts to avert a rupture and thus enabled the negotiations smoothly to proceed. All this demonstrates that the Chinese Government were dominated by a sincere desire to expedite the progress of the conferences; and that the Japanese Government recognized this important fact was made clear on March 11 when the Japanese Minister conveyed to the Chinese Government an expression of his Government's appreciation of China's frankness and sincerity in the conduct of the negotiations.

One of the supplementary proposals was in these terms:

From February 2, when the negotiations were commenced, to April 17, twenty-four conferences were held in all. Throughout this whole period the Chinese Government steadfastly strove to arrive at an amicable settlement and made every concession possible.

Of the twenty-one demands originally submitted by Japan, China agreed to fifteen, some in principle and some textually, six being initialled by both parties.

IN THE MATTER OF THE DEMANDS TO WHICH CHINA AGREED

At the first conference, held on February 2, China agreed in principle to the first article of the Shantung group of demands which provides that China should give her assent to the transfer of Germany's rights in Shantung to Japan. The Chinese Government maintained at first that the subject of this demand related to the *post bellum* settlement, and, therefore, should be left over for discussion by all the parties interested at the Peace Conference. Failing to persuade the Japanese Minister to accept this view, the Chinese Government agreed to this demand in principle, and made certain supplementary proposals.

"The Japanese Government declares that when the Chinese Government give their assent to the disposition of interests above referred to, Japan will restore the Leased Territory of Kiao-chou to China, and further recognizes the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany."

The provision for a declaration to restore Kiao-chou, was clearly not a demand on Japan but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany on August 15, 1914 (a copy of which was officially transmitted to the Chinese Government for perusal on August 15), and repeated in public statements by the Japanese Premier. Appreciating the earnest desire of Japan to maintain the peace of the far East and to cement her friendship with China, as evidenced by this friendly offer, the Chinese Government left the entire question of the conditions of restoration to be determined by Japan, and refrained from making any reference thereto in the supplementary proposal. The suggestion relating to participation in the Conference between Japan and Germany was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese Province, and therefore China is the Power most concerned in the future of that territory.

Another supplementary proposal suggesting the assumption by

Japan of responsibility for indemnification of the losses arising out of the military operations by Japan in and about the leased territory of Kiao-chou was necessitated by the fact that China was neutral *vis-à-vis* the war between Japan and Germany. Had China not inserted such a provision, her position in relation to this conflict might have been liable to misconstruction—the localities in which the operations took place being a portion of China's territory—and might also have exposed herself to a claim for indemnification of losses for which she was in no way responsible.

In a further supplementary proposal the Chinese Government suggested that, prior to the restoration of the Kiao-chou territory to China, the Maritime Customs, the telegraphs and post offices should be continued to be administered as heretofore; that the military railway, the telegraph lines, etc., which were installed by Japan to facilitate her military operations, should be removed forthwith; that the Japanese troops now stationed outside of the leased territory should be first withdrawn, and those within the territory should be recalled at the time when Kiao-chou is returned to China. Shantung being a Chinese Province, it was natural for China to be anxious concerning the restoration of the *status quo ante bellum.* Although the Chinese Government were confident that the Japanese Government would effect such restoration in pursuance of their official declaration, it was necessary for China, being neutral throughout the war, to place these matters on record.

At the third conference, held on February 22, China agreed to the second demand in the Shantung Group not to cede or lease to any Power any territory or island on the sea border of Shantung.

At the fifth conference, held on February 29, China agreed to give Japan the preference, provided Germany abandoned the privilege, to supply the capital for the construction of a railway from Chefoo or Lungkow to connect with the Kiao-chou-Tsinanfu Railway, in the event of China deciding to build that railway with foreign capital.

At the sixth conference, held on March 3, China, in the interests of foreign trade, agreed to open certain important cities in Shantung as trade marts under regulations approved by the Japanese Government, although this was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the far East.

At the eighth conference, held on March 9, China agreed (1) to the extension of the term of the lease of Dairen and (2) Port Arthur, and (3) of the South Manchuria and (4) Antung-Mukden railways, all to 99 years.

Owing to the bitter experiences which China sustained in the past in connection with the leased portions of her territory, it has become her settled policy not to grant further leases nor to extend the term of those now in existence. Therefore, it was a significant indication of China's desire to meet Japan's wishes when she agreed to this exceptional departure from her settled policy.

At the same conference the Chinese Government also agreed to refrain from raising objections to the principle of coöperation in the Hanyehping Company, if the latter should arrive at an agreement in this respect with the Japanese capitalists concerned. With reference to this question it was pointed out to the Japanese Minister that, in the Provisional Constitution of the Republic of China, Chinese subjects are guaranteed the right of protection of their property and freedom to engage in any lawful occupation. The Government were precluded, therefore, from interfering with the private business of the people, and could not find any other solution than the one thus agreed to.

As regards the single article of the Fourth Group, and the preamble thereto, the Chinese Government held that they were inconsistent with Chinese sovereignty. However, China, at this conference, expressed her readiness to meet the wishes of Japan so far as it was possible without infringing her sovereignty, and agreed to make a voluntary pronouncement that she would not alienate any portion of her coast line.

In connection with the South Manchuria Railway it is worthy of note that the provision regarding the repurchase period in the agreement (36 years from 1902) was not mentioned in Japan's original proposal. Subsequently the Japanese Government, on the ground that the meaning of this provision was not clear, requested China to agree to its cancelation. To this request the Chinese Government acceded, though well aware that the proposed change could only benefit Japan. China thus relinquished the right to repurchase the railway at the expiration of another 23 years.

In connection with the Antung-Mukden Railway, the article, which was originally initialled at the conference, provided for the reversion of the railway to China at the end of 99 years without payment, but, at the subsequent meeting, the Japanese Minister requested that the reference to the reversion without payment be deleted from the initialled article. In acceding to the Japanese Minister's request, China again showed her sincere desire to expedite matters and to meet Japan's wishes even at the sacrifice of a point in her favor, to which Japan had already agreed.

At the eleventh conference, held on March 16, China agreed to give Japan preference in regard to loans for railway construction in South Manchuria.

At the thirteenth conference, held on March 23, China agreed (1) to the amendment of the Kirin-Changchun Railway loan agreement; (2) to give preference to Japan if the revenue of South Manchuria were offered as security for loans; (3) to give preference to Japanese in the event of the employment of advisers for South Manchuria; (4) to grant to Japanese the right of mining in nine specified areas in South Manchuria.

In its original form the demand with reference to mining in South Manchuria tended to creat a monopoly for Japanese subjects, and, therefore, was entirely inconsistent with the principle of equal opportunity. The Chinese Government explained that they could not, in view of the treaty rights of other Powers, agree to this monopoly, but they readily gave their acceptance when Japan consented to the modification of the demand so as to mitigate its monopolistic character.

In connection with the Kirin-Changchun Railway, the amendment agreed to involves a fundamental revision of the original agreement on the basis of the existing railway loan contracts concluded by China with other foreign capitalists, as well as an engagement on the part of the Chinese Government to extend to this railway any better terms which may be hereafter accorded to other railway concessionaires in China. The capital of this railway was originally fifty per cent. Chinese and fifty per cent. Japanese. The effect of this undertaking is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese.

At the twenty-first conference, held on April 10, China agreed, in regard to the demands concerning Fukien Province, to give Japan an assurance in accordance with Japan's wishes at a future time.

As regards demands 2 and 3 in the Manchuria Group, relating to the ownership of land for trade, manufacture, and agricultural enterprises, as well as for the right of settlement in the interior of South Manchuria, the Chinese Government, after discussion at several conferences, agreed to them in principle, but desired to introduce certain amendments concerning the control and protection of the Japanese subjects who might avail themselves of these rights. The course of the negotiations in connection with these amendments will be referred to subsequently.

IN THE MATTER OF THOSE DEMANDS TO WHICH CHINA COULD NOT AGREE

Of the twenty-one original demands there were six, as previously mentioned, to which China could not agree on the ground that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportunity.

Thus, for example, the second article of the Hanyehping question in the original Third Group in particular seriously affected the principle of equal commercial opportunity.

The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the Republic's domestic affairs, and consequently an infringement of her sovereignty. For that reason the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese Minister that this referred only to South Manchuria, and he suggested that his Government would be satisfied if China agreed to engage Japanese as police advisers for that territory, the Chinese Government accepted the suggestion.

The two articles relating to the acquisition of land for schools, hospitals, and temples, as well as to the right of missionary propaganda, would, in the opinion of the Chinese Government, have presented grave obstacles to the consolidation of the friendly feeling subsisting between the two people. The religions of the two countries are identical and, therefore, the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which they labor, Japanese monks would live with the Chinese; and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extra-territoriality now obtaining in China. Moreover a general apprehension exists among the Chinese people that these peculiar conditions favoring conspiracies for political purposes might be taken advantage of by some unscrupulous Chinese.

The demand for railway concessions in the Yangtze Valley conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of March 6, 1908, the Nanking-Changsha Railway Agreement of March

31, 1914, and the engagement of August 24, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu. For this reason the Chinese Government found themselves unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance.

In respect to the demand for the appointment of influential Japanese to be advisers and instructors in political, financial and military affairs, the policy of the Chinese Government in regard to the appointment of advisers has been similar to that which has presumably guided the Japanese Government in like selection of the best qualified men irrespective of their nationality. As an indication of their desire to avail themselves of the services of eminent Japanese, one of the earliest appointments made to an advisership was that of Dr. Ariga, while later on Dr. Hirai and Mr. Nakayami were appointed to the Ministry of Communications.

It was considered that the demand that Japanese should be appointed in the three most important administrative departments, as well as the demand for the joint control of China's police, and the demand for an engagement to purchase a fixed amount of arms and ammunition from Japan or to establish joint arsenals in China, so clearly involved the sovereignty of the Republic that the Chinese Government were unable even to consider them.

For these reasons the Chinese Government, at the very outset of the negotiations, declared that they were unable to negotiate on the demands; but, in deference to the wishes of the Japanese Minister, the Chinese delegates consented to give the reasons for declining to enter into a discussion of them.

IN THE MATTER OF THE QUESTIONS OF DISPUTE INVOLVED IN SOME OF THE FOREGOING DEMANDS

The demand by Japan for the right of her subjects in South Manchuria to lease or own land, and to reside and travel, and to engage in business or manufacture of any kind whatever, was deemed by the Chinese Government to obtain for Japanese subjects in this region a privileged status beyond the terms of the treaties existing between the two nations, and to give them a freedom of action which would be a restriction of China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands, thereby endangering China's territorial integrity. Moreover, residence in the interior was incompatible with the existence of extra-territoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in the practice of other nations.

Japan's unconditional demand for the privilege of inland residence accompanied with a desire to extend extra-territoriality into the interior of China and to enable Japanese subjects to monopolize all the interests in South Manchuria, was also palpably irreconcilable with the principle of equal opportunity. For this reason the Chinese Government were, in the first instance, unable to accept this demand as a basis of negotiation. Their profound regard for the friendly relations of the two countries, however, persuaded them to exert their utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically impossible to solve. Knowing that the proposal made by Japan was incompatible with treaties, they nevertheless sought to meet her wishes within the limits of treaties. Accordingly they submitted a counter-proposal to open more places in South Manchuria to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the belief that the places to which Japanese subjects would desire to resort for purposes of trade, could not be other than important localities; if all these localities were opened to commerce, then they could reside, trade, and lease land there for joint reclamation. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the provisos that Japanese subjects in places outside of trade marts should observe Chinese police regulations and pay taxes in the same manner as Chinese; and that civil and criminal cases involving such Japanese subjects should be adjudicated by Chinese authorities, the Japanese Consul attending merely to watch the proceedings. This suggestion was not an innovation; it was based upon the *modus operandi* now in force as regards the Korean settlers in inland districts in Chientao. But the Japanese Government again declined to accept it.

The Chinese Government thereupon made a third proposal along the line of what constitutes the present practice in Turkey, making a distinction, however, in favor of Japanese subjects, in the exercise of jurisdiction over civil and criminal cases. This was once more objected to by the Japanese Government.

Then the Chinese Government proposed to concede still another step—the fourth endeavor to meet Japan's wishes. They proposed to agree to the full text of Articles 2 and 3 relative to the question of inland residence, except that "the right of owning land" was changed into "the right of leasing land" and to the phrase "cultivating land" was added this clause: "the regulations for which shall be determined separately;" and, further, to add a supplementary article which embodied a *modus operandi* which the Chinese Government had constrained themselves to make, out of a desire to come to a settlement over this question. The view advanced in this supplementary article was based upon the Japanese Minister's declaration made on March 6, 1915, that a separate article embodying some compromise might be added to the original articles 2 and 3 for the purpose of avoiding any conflict with China's sovereignty or the system established by treaties. These suggestions made by the Chinese Government were not accepted by Japan.

As regards Eastern Inner Mongolia, not only have no treaties been entered into with Japan concerning this region, but also the people are so unaccustomed to foreign trade, that the Chinese Government invariably feel much anxiety about the safety of foreigners who elect to travel there. The Chinese Government, therefore, considered that it would not be in the interest of foreigners to open the whole territory to them for residence and commerce, and on these grounds based their original refusal to place Eastern Inner Mongolia on the same footing as South Manchuria. Still, their desire to meet the wishes of the Japanese Government eventually prompted them to offer to open a number of places in the region to foreign trade.

IN THE MATTER OF JAPAN'S REVISED DEMANDS

The foregoing is an outline of the negotiations up to April 17. It was hoped by the Chinese Government that the Japanese Government, in view of the great concessions made by China at the conferences held up to this time, would see a way of effecting an amicable settlement by modifying their position on certain points. In regard to these it had, by this time, become manifest that China would encounter almost insuperable difficulties in making further concessions.

The Japanese Government, however, suspended the negotiations until April 26 when they surprised the Chinese Government by presenting a new list of twenty-four demands (which is hereto appended), and requested the Chinese Government to accord their acceptance without delay, adding that this was their final proposal. At the same time the Japanese Minister stated that the Japanese Government would restore the leased territory of Kiaochow to China at an opportune time in the future and under proper conditions, if the Chinese Government would agree to the new list of twenty-four demands without modification.

In this new list, although the term "special position" in the preamble of the Manchurian Group was changed to "economic relations," and although the character of the articles in the original Fifth Group was altered from Demands to a recital of alleged statements by the Chinese Foreign Minister, four new demands were introduced concerning Eastern Inner Mongolia. In deference to the wishes of the Japanese Government, the Chinese Government gave the revised list the most careful consideration; and being sincerely desirous of an early settlement offered new concessions in their reply presented to the Japanese Minister on May 1. (Annexed.)

In this reply the Chinese Government reinserted the proposal in reference to the retrocession of Kiaochow, which they advanced at the first conference on February 2, and which was postponed at the request of the Japanese Minister. This, therefore, was in no sense a new proposal.

The Chinese Government also proposed to agree to three of the four articles relating to Eastern Inner Mongolia. There was some difficulty in determining a definition of the boundaries of Eastern Inner Mongolia—this being a new expression in Chinese geographical terminology—but the Chinese Government, acting upon a statement made at a previous conference by the Japanese Minister that the Japanese Government meant the region under Chinese administrative jurisdiction, and taking note, in the list presented by the Japanese Minister, of the names of places in Eastern Inner Mongolia to be opened to trade, inferred that the so-called Eastern Inner Mongolia is that part of Inner Mongolia which is under the jurisdiction of South Manchuria and the Jehol Intendency; and refrained from placing any limitations upon the definition of this term.

The Chinese Government also withdrew their supplementary proposal reserving the right of making regulations for agricultural enterprises to be undertaken by Japanese settlers in South Manchuria.

In respect of the trial of cases involving land disputes between Japanese only, or between Japanese and Chinese, the Chinese Government accorded to the Japanese Consul the right of deputing an officer to watch the proceedings.

The Chinese Government also agreed to accept the suggestion of the Japanese Government to modify the term "police law and ordinances" into "police rules and regulations," thereby limiting the extent of control which the Chinese would have over Japanese subjects.

As regards the Hanyehping demand, the Chinese Government accepted the draft made by the Japanese Government, embodying an engagement by the Chinese Government not to convert the Company into a State-owned concern, nor to confiscate it, nor to force it to borrow foreign capital other than Japanese.

In respect of the Fukien question the Chinese Government also agreed to give an assurance in the amplified form suggested by the Japanese Government that the Chinese Government had not given their consent to any foreign nations to construct a dockyard, or a coaling station, or a naval base, or any other military establishment along the coast of Fukien Province; nor did they contemplate borrowing foreign capital for the foregoing purposes.

Having made these concessions which practically brought the views of China into line with those of Japan, and having explained in a note accompanying the reply the difficulty for China to make further concessions, the Chinese Government hoped that the Japanese Government would accept their reply of May 1, and thus bring the negotiations to an amicable conclusion.

The Japanese Government, however, expressed themselves as being dissatisfied with China's reply, and withdrew the conditional offer to restore Kiaochow to China made on April 26. It was further intimated that if the Chinese Government did not give their full compliance with the list of twenty-four demands, Japan would have recourse to drastic measures.

Upon receiving this intimation the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation, and represented to the Japanese Government that they would reconsider their position and make another attempt to find a solution that would be more satisfactory to Japan, in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance. Even in the evening of May 6, after the Japanese Minister had notified the Chinese Government that the Ultimatum had arrived in Peking, the Chinese Government in the interests of peace still exerted efforts to save the situation by offering to meet Japan's wishes.

These overtures were again rejected, and thus exhausted the means at the disposal of the Chinese Government to prevent an *impasse.*

It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of negotiations. All that the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China and the principle of equal opportunity.

To the profound regret of the Chinese Government, however, the tremendous sacrifices which they had shown themselves ready to make, proved unavailing, and an Ultimatum (the text of which is appended) was duly delivered to them by the Japanese Minister at three o'clock on the afternoon of May 7.

As to the allegations made in the Ultimatum against China, the Chinese Government hope that the foregoing outline of the history of the negotiations constitutes a clear, dispassionate, and complete reply.

In considering the nature of the course they should take with reference to the Ultimatum the Chinese Government was influenced by a desire to preserve the Chinese people, as well as the large number of foreign residents in China, from unnecessary suffering, and also to prevent the interests of friendly Powers from being imperiled. For these reasons the Chinese Government were constrained to comply in full with the terms of the Ultimatum (the reply being hereto appended), but in complying the Chinese disclaim any desire to associate themselves with any revision, which may thus be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China.

Memorandum Read by the Minister of Foreign Affairs to Mr. Hioki, the Japanese Minister, at a Conference Held at Waichiaopu, May 1, 1915.

The list of demands which the Japanese Government first presented to the Chinese Government consists of five Groups, the first relating to Shantung, the second relating to South Manchuria and Eastern Inner Mongolia, the third relating to the Hanyehping Company, the fourth asking for non-alienation of the coast of the country, and the fifth relating to the questions of national advisers, national police, national arms, missionary propaganda, Yangtze Valley railways and Fukien Province. Out of profound regard for the intentions entertained by Japan, the Chinese Government took these momentous demands into grave and careful consideration and decided to negotiate with the Japanese Government frankly and sincerely what were possible to negotiate. This is a manifestation to Japan of the most profound regard which the Chinese Government entertains for the relations between the two nations.

Ever since the opening of the negotiations China has been doing her best to hasten their progress, holding as many as three conferences a week. As regards the articles in the second group, the Chinese Government, being disposed to allow the Japanese Government to develop the economic relations of the two countries in South Manchuria, realizing that the Japanese Government attaches importance to its interests in that region, and wishing to meet the hopes of Japan, made a painful effort, without hesitation, to agree to the extension of the 25-year lease of Port Arthur and Dalny, the 36-year period of the South Manchuria railway and the 15-year period of the Antung-Mukden railway, all to 99 years; and to abandon its own cherished hopes to regain control of these places and properties at the expiration of their respective original terms of lease. It cannot but be admitted that this is a most genuine proof of China's friendship for Japan. As to the rights of opening mines in South Manchuria, the Chinese Government has already agreed to permit Japanese to work mines within the mining areas designated by Japan. China has further agreed to give Japan a right of preference in the event of borrowing foreign capital for building railways or of making a loan on the security of the local taxes in South Manchuria. The question of revising the arrangement for the Kirin-Changchun railway has been settled in accordance with the proposal made by Japan. The Chinese Government has further agreed to employ Japanese first in the event of employing foreign advisers on political, military, financial and police matters.

Furthermore, the provision about the repurchase period in the South Manchurian railway was not mentioned in Japan's original proposal. Subsequently, the Japanese Government, alleging that its meaning was not clear, asked China to cancel the provision altogether. Again, Japan at first demanded the right of Japanese to carry on farming in South Manchuria, but subsequently she considered the word "farming" was not broad enough and asked to replace it with the phrase "agricultural enterprises." To these requests the Chinese Government, though well aware that the proposed changes could only benefit Japan, still acceded without delay. This, too, is a proof of China's frankness and sincerity toward Japan.

As regards matters relating to Shantung, the Chinese Government has agreed to a majority of the demands.

The question of inland residence in South Manchuria is, in the opinion of the Chinese Government, incompatible with the treaties China has entered into with Japan and other Powers, still the Chinese Government did its best to consider how it was possible to avoid that incompatibility. At first, China suggested that the Chinese Authorities should have full rights of jurisdiction over Japanese settlers. Japan declined to agree to it. Thereupon China reconsidered the question and revised her counter-proposal five or six times, each time making some definite concession, and went so far as to agree that all civil and criminal cases between Chinese and Japanese should be arranged according to existing treaties. Only cases relating to land or lease contracts were reserved to be adjudicated by Chinese Courts, as a mark of China's sovereignty over the region. This is another proof of China's readiness to concede as much as possible.

Eastern Inner Mongolia is not an enlightened region as yet and the conditions existing there are entirely different from those prevailing in South Manchuria. The two places, therefore, cannot be considered in the same light. Accordingly, China agreed to open commercial marts first, in the interests of foreign trade.

The Hanyehping Company mentioned in the third group is entirely a private company, and the Chinese Government is precluded from interfering with it and negotiating with another government to make any disposal of the same as the Government likes, but having regard for the interests of the Japanese capitalists, the Chinese Government agreed that whenever, in future, the said company and the Japanese capitalists should arrive at a satisfactory arrangement for coöperation, China will give her assent thereto. Thus the interests of the Japanese capitalists are amply safeguarded.

Although the demand in the fourth group asking for a declaration not to alienate China's coast is an infringement of her sovereign rights, yet the Chinese Government offered to make a voluntary pronouncement so far as it comports with China's sovereign rights. Thus, it is seen that the Chinese Government, in deference to the wishes of Japan, gave a most serious consideration even to those demands which gravely affect the sovereignty and territorial rights of China as well as the principle of equal opportunity and the treaties with foreign Powers. All this was a painful effort on the part of the Chinese Government to meet the situation—a fact of which the Japanese Government must be aware.

As regards the demands in the fifth group, they all infringe China's sovereignty, the treaty rights of other Powers or the principle of equal opportunity. Although Japan did not indicate any difference between this group and the preceding four in the list which she presented to China in respect of their character, the Chinese Government, in view of their palpably objectionable features, persuaded itself that these could not have been intended by Japan as anything other than Japan's mere advice to China. Accordingly China has declared from the very beginning that while she entertains the most profound regard for Japan's wishes, she was unable to admit that any of these matters could be made the subject of an understanding with Japan. Much as she desired to pay regard to Japan's wishes, China cannot but respect her own sovereign rights and the existing treaties with other Powers. In order to be rid of the seed for future misunderstanding and to strengthen the basis of friendship, China was constrained to iterate the reasons for refusing to negotiate on any of the articles in the fifth group, yet in view of Japan's wishes China has expressed her readiness to state that no foreign money was borrowed to construct harbor works in Fukien Province. Thus it is clear that China went so far as to seek a solution for Japan of a question that really did not admit of negotiation. Was there, then, evasion on the part of China?

Now, since the Japanese Government has presented a revised list of demands and declared at the same time that it will restore the leased territory of Kaiochow, the Chinese Government reconsiders the whole question and herewith submits a new reply to the friendly Japanese Government.

In this reply the unsettled articles in the first group are stated again for discussion. As regards the second group, those articles which have already been initialled are omitted. In connection with the question of inland residence the police regulation clause has been revised in a more restrictive sense. As for the trial of cases relating to land and lease contracts the Chinese Government now permits the Japanese Consul to send an officer to attend the proceedings. Of the four demands in connection with that part of Eastern Inner Mongolia which is within the jurisdiction of South Manchuria and the Jehol Intendency, China agrees to three. China, also, agrees to the article relating to the Hanyehping Company as revised by Japan.

It is hoped that the Japanese Government will appreciate the conciliatory spirit of the Chinese Government in making this final concession and forthwith give her assent thereto.

There is one more point. At the beginning of the present negotiations it was mutually agreed to observe secrecy, but unfortunately a few days after the presentation of the demands by Japan an Osaka newspaper published an "Extra" giving the text of the demands. The foreign and the Chinese press has since been paying considerable attention to this question and frequently publishing pro-Chinese or pro-Japanese comments in order to call forth the world's conjecture, a matter which the Chinese Government deeply regrets. The Chinese Government has never carried on any newspaper campaign and the Chinese Minister of Foreign Affairs has repeatedly declared it to the Japanese Minister.

In conclusion, the Chinese Government wishes to express its hope that the negotiations now pending between the two countries will soon come to an end and whatever misgivings foreign countries entertain toward the present situation may be quickly dispelled.

CHINA'S RELY TO JAPAN'S REVISED DEMANDS

China's Reply of May 1, 1915, to the Japanese Revised Demands of April 26, 1915.

GROUP I

The Chinese Government and the Japanese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles:

Article 1. The Chinese Government declare that they will give full assent to all matters upon which the Japanese and German Governments may hereafter mutually agree, relating to the disposition of all interests which Germany, by virtue of treaties or recorded cases, possesses in relation to the Province of Shantung.

The Japanese Government declares that when the Chinese Government give their assent to the disposition of interests above referred to, Japan will restore the leased territory of Kiao-chou to China; and further recognize the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany.

Art. 2. The Japanese Government consent to be responsible for the indemnification of all losses occasioned by Japan's military opperation around the leased territory of Kiao-chou. The customs, telegraphs and post offices within the leased territory of Kiao-chou shall, prior to the restoration of the said leased territory to China, be administered as heretofore, for the time being. The railways and telegraph lines erected by Japan for military purposes are to be removed forthwith. The Japanese troops now stationed outside the original leased territory of Kiao-chou are now to be withdrawn first, those within the original leased territory are to be withdrawn on the restoration of the said leased territory to China.

Art. 3. (Changed into an exchange of notes.)

The Chinese Government declare that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Art. 4. The Chinese Government consent that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiao-chou-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chee-foo-Weihsien line, China will approach Japanese capitalists for a loan.

Art. 5. The Chinese Government engage, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary exchange of notes.)

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

Art. 6. If the Japanese and German Governments are not able to come to a definite agreement in future in their negotiations respecting transfer, etc., this provisional agreement contained in the foregoing articles shall be void.

GROUP II

The six articles which are found in Japan's Revised Demands of April 26, 1915, but omitted herein, are those already initialed by the Chinese Foreign Minister and the Japanese Minister.

The Chinese Government and the Japanese Government, with a view to developing their economic relations in South Manchuria, agree to the following articles:

Art. 2. Japanese subjects in South Manchuria may, by arrangement with the owners, lease land required for erecting suitable buildings for trade and manufacture or for agricultural enterprises.

Art. 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Art. 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities passports, which they must procure under the existing regulations, shall also observe police rules and regulations and pay taxes in the same manner as Chinese. Civil and criminal cases shall be tried and adjudicated by the authorities of the defendant's nationality and an officer can be deputed to attend the proceedings. But all cases purely between Japanese subjects, and mixed cases between Japanese and Chinese, relating to land or disputes arising from lease contracts, shall be tried and adjudicated by Chinese Authorities and the Japanese Consul may also depute an officer to attend the proceedings. When the judicial system in the said Province is completely reformed, all the civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

RELATING TO EASTERN INNER MONGOLIA

(To be exchanged by notes.)

Article 1. The Chinese Government declare that China will not in future pledge the taxes, other than customs and salt revenue, of that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and Jehol Intendency, as security for raising loans.

Art. 2. The Chinese Government declare that China will herself provide funds for building the railways in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency; if foreign capital is required, China will negotiate with Chinese capitalists first, provided this does not conflict with agreements already concluded with other Powers.

Art. 3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself certain suitable places in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency, as Commercial Marts.

The regulations for the said Commercial Marts will be made in accordance with those of other Commercial Marts opened by China herself.

GROUP III

The relations between Japan and the Hanyehping Company being very intimate, if the said Company comes to an agreement with the Japanese capitalists for coöperation, the Chinese Government shall forthwith give their consent thereto. The Chinese Government further declare that China will not convert the Company into a state enterprise, nor confiscate it nor cause it to borrow and use foreign capital other than Japanese.

Letter to Be Addressed by the Japanese Minister to the Chinese Minister of Foreign Affairs

Excellency:

I have the honor to state that a report has reached me that the Chinese Government have given permission to foreign nations to construct on the coast of Fukien Province dock-yards, coaling stations for military use, naval bases and other establishments for military purposes and further that the Chinese Government are borrowing foreign capital for putting up the above-mentioned construction or establishments. I shall be much obliged if the Chinese Government will inform me whether or not these reports are well founded in fact.

Reply to Be Addressed by the Chinese Minister of Foreign Affairs to the Japanese Minister

Excellency:

I have the honor to acknowledge the receipt of your Excellency's Note of ——————. In reply I beg to state that the Chinese Government have not given permission to foreign Powers to construct, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases or other establishments for military purposes; nor do they contemplate borrowing foreign capital for putting up such constructions or establishments.

JAPAN'S UTIMATUM

Ultimatum Delivered by Japanese Minister to Minister of Foreign Affairs at 3 o'Clock p. m. on May 7th, 1915

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavor to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the far East may be effectively and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day as many as twenty-five conferences were held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiation the Imperial Government has consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is, on 17th of the last month. The Imperial Government, taking a broad view of the negotiations and in consideration of the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government on the 26th of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals, the Imperial Government would, at a suitable opportunity, restore with fair and proper conditions, to the Chinese Government the Kiao-chou territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the 1st of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals, but even with regard to the offer of the Japanese Government, to restore Kiao-chou to the Chinese Government, the latter did not manifest the least appreciation of Japan's good will and difficulties.

From the commercial and military points of view Kiao-chou is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition, the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, she went to the extent of proposing its restoration, yet to her great regret, the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government offering the restoration of Kiao-chou Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiao-chou; and still further in connection with the territory of Kiao-chou China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiao-chou and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan, yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands, the settlement of the other question, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, political, commercial, industrial and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in which Japan was engaged, the Chinese Government overlooks these facts and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government, in a compromising spirit, have formulated in accordance with the statement of the Chinese Representatives thereby making the statements of the Representatives an empty talk; or on seeing them conceding with the one hand and withholding with the other, it is very difficult to attribute faithfulness and sincerity to the Chinese Authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammunition and the establishment of arsenals, and railway concessions in South China in the revised proposals, they are either proposed with the proviso that the consent of the Power concerned must first be obtained, or they are merely to be recorded in the minutes in accordance with the statement of the Chinese delegates, and thus they are not in the least in conflict either with Chinese sovereignty or her treaties with the Foreign Powers. Yet the Chinese Government in their reply to the proposals, alleging that these proposals are incompatible with their sovereign rights and the Treaties with the Foreign Powers, defeat the expectations of the Imperial Government. In spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiation, yet warmly attached to the preservation of the peace of the far East, is still hoping for a satisfactory settlement in order to avoid the disturbance of the relations.

So in spite of the circumstances which admitted no patience, they have reconsidered the feelings of the Government of their neighboring country and with the exception of the article relating to Fukien, which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake to detach the Group V from the present negotiations and discuss it separately in the future. Therefore the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Groups I, II, III and IV and the exchange of notes in connection with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offer their advice and hope that the Chinese Government upon this advice will give a satisfactory reply by 6 o'clock P. M. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the designated time, the Imperial Government will take steps they may deem necessary.

JAPAN'S EXPLANATORY NOTE

Explanatory Note Accompanying Memorandum Delivered to the Minister of Foreign Affairs by the Japanese Minister the Seventh Day of May, 1915

1. With the exception of the question of Fukien to be arranged by an exchange of notes, the five articles postponed for later negotiations refer to (a) the employment of advisers, (b) the establishment of schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunition and the establishment of arsenals, (e) the propagation of Buddhism.

2. The acceptance by the Chinese Government of the article relating to Fukien may be either in the form as proposed by the Minister of Japan on the 26th of April or in that contained in the Reply of the Chinese Government of May 1st. Although the Ultimatum calls for the immediate acceptance by China of the modified proposals presented on April 26th, without alteration, but it should be noted that it merely states the principle and does not apply to this article and articles 4 and 5 of this note.

3. If the Chinese Government accept all the articles as demanded

in the Ultimatum the offer of the Japanese Government to restore Kiao-chou to China made on the 26th of April, will still hold good.

4. Article 2 of Group II relating to the lease or purchase of land, the terms "lease" and "purchase" may be replaced by these terms, "temporary lease" and "perpetual lease" or "lease on consultations," which means a long-term lease with its unconditional renewal.

Article 4 of Group II relating to the approval of laws and ordinances and local taxes by the Chinese Consul may form the subject of a secret agreement.

5. The phrase "to consult with the Japanese Government" in connection with questions of pledging the local taxes for raising loans and the loans for construction of railways, in Eastern Inner Mongolia, which is similar to the agreement in Manchuria relating to the matters of the same kind, may be replaced by the phrase "to consult with the Japanese capitalists."

The article relating to the opening of trade marts in Eastern Inner Mongolia in respect to location and regulations, may, following the precedent set in Shantung, be the subject of an exchange of notes.

6. From the phrase "those interested in the Company" in Group III of the revised list of demands, the words "those interested in" may be deleted.

7. The Japanese version of the Formal Agreement and its annexes shall be the official text or both the Chinese and Japanese shall be official texts.

CHINA'S RELY TO THE ULTIMATUM

The Reply of the Chinese Government to the Ultimatum of the Japanese Government, Delivered to the Japanese Minister of Foreign Affairs on the 8th of May, 1915

On the 7th of this month, at three o'clock P. M., the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven articles. The Ultimatum concluded with the hope that the Chinese Government up to 6 o'clock P. M. on the 9th of May, will give a satisfactory reply, and it is hereby declared that if no satisfactory reply is received before or at the designated time, the Japanese Government will take steps she may deem necessary.

The Chinese Government with a view to preserving the peace of the far East, hereby accepts, with the exception of those five articles of Group V postponed for later negotiation, all the articles of Groups I, II, III and IV, and the exchange of Notes in connection with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government with the hope that thereby all outstanding questions are settled, so that the cordial relationship between the two countries may be further consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the literary improvement of the text and sign the Agreement as soon as possible.

NEW TREATIES AND NOTES
BETWEEN
CHINA AND JAPAN
(Translated from the Chinese)

TREATY RESPECTING THE PROVINCE OF SHANTUNG

His Excellency the President of the Republic of China and His Majesty, the Emperor of Japan, having resolved to conclude a Treaty with a view to the maintenance of general peace in the Extreme East and the further strengthening of the relations of friendship and good neighborhood now existing between the two nations, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-tsiang, *Chung-ching*, First Class *Chia Ho* Decoration, Minister of Foreign Affairs.

And His Majesty the Emperor of Japan, Hioki Eki, *Jushii*, Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary, and Envoy Extraordinary:

Who, after having communicated to each other their full powers and found them to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE 1. The Chinese Government agrees to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions with Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

ART. 2. The Chinese Government agrees that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiao-chou-Tsinanfu railway, if Germany abandons the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

ART. 3. The Chinese Government agrees in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

ART. 4. The present treaty shall come into force on the day of its signature.

The present treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratification thereof shall be exchanged at Tokio as soon as possible.

In witness whereof the respective Plenipotentiaries of the High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

EXCHANGE OF NOTES RESPECTING SHANTUNG

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

In the name of the Chinese Government I have the honor to make the following declaration to your Government:—"Within the Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of the Chinese Government:—"Within the Province of Shantung or along its coast no territory or island will be leased or ceded to any foreign Power under any pretext."

In reply I beg to state that I have taken note of this declaration.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE OPENING OF PORTS IN SHANTUNG

Peking, the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the Province of Shantung signed this day, will be selected and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

REPLY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you stated "that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 3 of the Treaty respecting the province of Shantung signed this day, will be selected and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE RESTORATION OF THE LEASED TERRITORY OF KIAO-CHOU BAY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

In the name of my Government I have the honor to make the following declaration to the Chinese Government:—

When, after the termination of the present war, the leased territory of Kiao-chou Bay is completely left to the free disposal of

Japan, the Japanese Government will restore the said leased territory to China under the following conditions:—

1. The whole of Kiao-chou Bay to be opened as a Commercial Port.

2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

3. If the foreign Powers desire it, an international concession may be established.

4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration.

I avail, etc.,

(Signed) Hioki Eki.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

Reply

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of your Excellency's note of this day's date in which you made the following declaration in the name of your Government:—

"When, after the termination of the present war, the leased territory of Kiao-chou Bay is completely left to the free disposal of Japan, the Japanese Government will restore the said leased territory to China under the following conditions:—

"1. The whole of Kiao-chou Bay to be opened as a Commercial Port.

"2. A concession under the exclusive jurisdiction of Japan to be established at a place designated by the Japanese Government.

"3. If the foreign Powers desire it, an international concession may be established.

"4. As regards the disposal to be made of the buildings and properties of Germany and the conditions and procedure relating thereto, the Japanese Government and the Chinese Government shall arrange the matter by mutual agreement before the restoration."

In reply, I beg to state that I have taken note of this declaration.

I avail, etc.,

(Signed) Lou Tseng-tsiang.

TREATY RESPECTING SOUTH MANCHURIA AND EASTERN INNER MONGOLIA

His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, having resolved to conclude a Treaty with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, have for that purpose named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China, Lou Tseng-tsiang, *Chung-ching,* First Class *Chia-ho* Decoration, and Minister of Foreign Affairs; and His Majesty the Emperor of Japan, Hioki Eki, *Jushii,* Second Class of the Imperial Order of the Sacred Treasure, Minister Plenipotentiary and Envoy Extraordinary;

Who, after having communicated to each other their full powers, and found them to be in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE 1. The Two High Contracting Parties agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and the Antung-Mukden Railway, shall be extended to 99 years.

ART. 2. Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

ART. 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

ART. 4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government may give its permission.

ART. 5. The Japanese subjects referred to in the preceding three articles, besides being required to register with the local Authorities passports which they must procure under the existing regulations, shall also submit to the police laws and ordinances and taxation of China.

Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer may be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage.

When, in future, the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried and adjudicated entirely by Chinese law courts.

Art. 6. The Chinese Government agrees, in the interest of trade, and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial Ports.

Art. 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan-Agreement, taking as a standard the provisions in railway agreements made heretofore between China and foreign financiers.

When in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

Art. 8. All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Treaty, remain in force.

Art. 9. The present Treaty shall come into force on the date of its signature. The present Treaty shall be ratified by His Excellency the President of the Republic of China and His Majesty the Emperor of Japan, and the ratifications thereof shall be exchanged at Tokio as soon as possible.

In witness whereof the respective Plenipotentiaries of the two High Contracting Parties have signed and sealed the present Treaty, two copies in the Chinese language and two in Japanese.

Done at Peking this twenty-fifth day of the fifth month of the fourth year of the Republic of China, corresponding to the same day of the same month of the fourth year of Taisho.

EXCHANGE OF NOTES RESPECTING THE TERMS OF LEASE OF PORT ARTHUR AND DALNY AND THE TERMS OF SOUTH MANCHURIAN AND ANTUNG-MUKDEN RAILWAYS

Peking, the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that, respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchuria Railway to China shall fall due in the 91st year of the Republic or 2002. Article 21 in the Original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened is hereby canceled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that "respecting the provisions contained in Article 1 of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement providing that it may be redeemed by China after 36 years from the day on which the traffic is opened, is hereby canceled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE OPENING OF PORTS IN EASTERN INNER MONGOLIA

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan.

I avail, etc.,

(Signed) Lou Tseng-tsiang.

His Excellency,
Hioki Eki,
Japanese Minister.

Reply

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you stated "that the places which ought to be opened as Commercial Ports by China herself, as provided in Article 6 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, will be selected, and the regulations therefor, will be drawn up, by the Chinese Government itself, a decision concerning which will be made after consulting the Minister of Japan."

In reply, I beg to state that I have taken note of the same.

I avail, etc., (Signed) Hioki Eki.

His Excellency, Lou Tseng-tsiang,
Minister of Foreign Affairs.

South Manchuria

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereinunder, except those being prospected for or worked, and the Chinese Government will then permit them to prospect or work the same; but before the Mining regulations are definitely settled, the practice at present in force shall be followed.

Fengtien.

LOCALITY	DISTRICT	MINERAL
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	"	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	"

An Shan Chan region	From Liaoyang to Pen-hsi	Iron
Kirin (Southern portion)		Coal & Iron
Sha Sung Kang	Ho-lung	Coal
Kang Yao	Chi-lin (Kirin)	Gold
Chia P'i Kou	Hua-tien	

I avail, etc.,

His Excellency, Hioki Eki,
Japanese Minister.

(Signed) Lou Tseng-tsiang.

Reply

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day respecting the opening of mines in South Manchuria, stating: "Japanese subjects shall, as soon as possible, investigate and select mines in the mining areas in South Manchuria specified hereunder except those being prospected for or worked, and the Chinese Government will then permit them to prospect or work the same; but before the Mining regulations are definitely settled, the practice at present in force shall be followed."

Fengtien.

LOCALITY	DISTRICT	MINERAL
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	"	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liaoyang to Pen-hsi	Iron
Kirin (Southern portion)		
Sha Sung Kang	Ho-lung	Coal & Iron
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

I avail, etc.,

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affars of the Republic of China.

(Signed) Hioki Eki.

EXCHANGE OF NOTES RESPECTING RAILWAYS AND TAXES IN SOUTH MANCHURIA AND EASTERN INNER MONGOLIA

Peking, the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

In the name of my Government,

I have the honor to make the following declaration to your Government:—

China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first: and further, the Chinese Government, when making a loan in future on the security of the taxes in the above-mentioned places (excluding the salt and customs revenue which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese capitalists first.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date respecting railways and taxes in South Manchuria and Eastern Inner Mongolia in which you stated:

"China will hereafter provide funds for building necessary railways in South Manchuria and Eastern Inner Mongolia; if foreign capital is required China may negotiate for a loan with Japanese capitalists first; and further, the Chinese Government, when making a loan in future on the security of taxes in the above mentioned places (excluding the salt and customs revenue which have already been pledged by the Chinese Central Government) may negotiate for it with Japanese Capitalists first."

In reply I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE EMPLOYMENT OF ADVISERS IN SOUTH MANCHURIA

Peking, the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

In the name of the Chinese Government I have the honor to make the following declaration to your Government:—

"Hereafter, if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first."

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you made the following declaration in the name of your Government:—

"Hereafter if foreign advisers or instructors in political, military or police matters are to be employed in South Manchuria, Japanese may be employed first."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE EXPLANATION OF "LEASE BY NEGOTIATION" IN SOUTH MANCHURIA

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to state that the term "lease by negotiation" contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

REPLY

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"The term 'lease by negotiation' contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal."

In reply I beg to state that I have taken note of the same.

(Signed) LOU TSENG-TSIANG.

I avail, etc.,

His Excellency,
Hioki Eki,
Japanese Minister.

EXCHANGE OF NOTES RESPECTING THE ARRANGEMENT FOR POLICE LAWS AND ORDINANCES AND TAXATION IN SOUTH MANCHURIA AND EASTERN INNER MONGOLIA

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that the Chinese Authorities will notify the Japanese Consul of the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day so as to come to an understanding with him before their enforcement.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"The Chinese Authorities will notify the Japanese Consul of the police laws and ordinances and the taxation to which Japanese subjects shall submit according to Article 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day so as to come to an understanding with him before their enforcement."

In reply, I beg to state that I have taken note of the same.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

THE POSTPONEMENT OF ARTICLES 2, 3, 4 AND 5 OF THE TREATY RESPECTING SOUTH MANCHURIA AND EASTERN INNER MONGOLIA

Peking, the 25th day of the 5th month of the
4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that, inasmuch as preparations have to be made regarding Articles 2, 3, 4 & 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Government proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty.

I hope your Government will agree to this proposal.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the
4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you stated that, "inasmuch as preparations have to be made regarding Articles 2, 3, 4 & 5 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day, the Chinese Government proposes that the operation of the said Articles be postponed for a period of three months beginning from the date of the signing of the said Treaty."

I avail, etc.,

(Signed) HIOKI EKI.

In reply, I beg to state that I have taken note of the same.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE MATTER OF HANYEHPING

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to state that if in future the Hanyehping Company and the Japanese capitalists agree upon coöperation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hoki Eki,
Japanese Minister.

REPLY

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date in which you state:

"If in future the Hanyehping Company and the Japanese capitalists agree upon coöperation, the Chinese Government, in view of the intimate relations subsisting between the Japanese Capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese." I avail, etc.,

(Signed) HIOKI EKI.

In reply, I beg to state that I have taken note of the same.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

EXCHANGE OF NOTES RESPECTING THE FUKIEN QUESTION

Peking, the 25th day of the 5th month of the 4th year of Taisho.

Excellency,

A report has reached me to the effect that the Chinese Government has the intention of permitting foreign nations to establish, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; and also of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I have the honor to request that your Excellency will be good enough to give me a reply stating whether or not the Chinese Government really entertains such an intention.

I avail, etc.,

(Signed) HIOKI EKI.

His Excellency,
Lou Tseng-tsiang,
Minister of Foreign Affairs.

REPLY

Peking, the 25th day of the 5th month of the 4th year of the Republic of China.

Monsieur le Ministre,

I have the honor to acknowledge the receipt of Your Excellency's note of this day's date, which I have noted.

In reply I beg to inform you that the Chinese Government hereby declares that it has given no permission to foreign nations to construct, on the coast of Fukien Province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; nor does it entertain an intention of borrowing foreign capital for the purpose of setting up the above-mentioned establishments.

I avail, etc.,

(Signed) LOU TSENG-TSIANG.

His Excellency,
Hioki Eki,
Japanese Minister.

APPENDIX C

TEXT OF THE MILITARY AGREEMENT

(Signed March 19, 1918)

NOTE:—No official text of this agreement has been published. The text given hereunder is, as the author was informed by a Chinese official, correct except for the omission of a few unimportant paragraphs.

1. China and Japan, realising the fact that the gradual extension of enemy influence towards the East may jeopardise the peace of the two countries, consider it their mutual duty as participants in the war, to take concerted action against the common enemy.

2. As regards military co-operation each country shall pay due respect to the prestige and interests of the other country, and both parties shall be considered to be on an equal footing.

3. When the time comes to take action in accordance with this Agreement the two countries shall instruct their military and civil officials and people to adopt a friendly attitude towards those of the other country in the military areas. The Chinese officials shall do their best to aid the Japanese troops in the said areas so that no obstacles shall arise to impede their movements, and the Japanese troops shall respect the sovereignty of China, and shall not be allowed to act in a manner contrary to the local customs and cause inconvenience to the people.

4. The Japanese troops in Chinese territory shall be withdrawn as soon as military operations cease.

5. Whenever troops have to be despatched outside Chinese territory, the two countries shall despatch them jointly whenever necessary.

6. The military areas and other matters relating to the military operations shall be decided by the military authorities of the two countries whenever necessary, in accordance with the military strength of each country.

7. In order to facilitate matters, in the course of the military

co-operation the military authorities of two countries shall observe the arrangements:

(a) In regard to the making of all arrangements for carrying on military operations, both countries shall appoint deputies who shall arrange all matters regarding co-operation.

(b) In order to secure rapid transportation by land or by water and rapid communication, both sides shall co-operate to this end.

(c) When occasion arises the two Commanders-in-chief shall arrange all necessary military constructions such as military railway, telegraph and telephone lines. These shall all be removed at the conclusion of the military operations.

(d) Regarding the necessary military supplies and materials required for taking concerted action against the enemy the two countries shall supply each other to such an extent as not to affect the supplying of ordinary demands.

(e) The two countries shall assist each other in carrying out sanitary measures for the troops in the military areas.

(f) With regard to the question of military experts for direct military operations, should the necessity arise for mutual assistance, if one country requests the assistance of such experts the other shall supply it.

(g) In the areas in which military operations are taking place intelligence agencies may be established, and the two countries shall exchange important military maps and military reports. The intelligence agencies of the two countries shall exchange information and render mutual assistance.

(h) All secret passwords shall be agreed upon mutually.

The questions as to which of the above arrangements shall be considered first, and which shall be first entered upon shall be mutually arranged in a separate agreement, before the actual commencement of hostilities.

8. When military transportation necessities the use of the Chinese Eastern Railway, the provision in the original Treaty regarding the management and protection of the said railway shall be respected. The methods of transportation shall be decided upon at the time.

9. Regarding the enforcement of the details in this agreement, it shall be decided upon by delegates appointed by the military authorities of the two countries.

10. This agreement and the supplementary articles therein shall not be published by the two Governments, but shall be considered as military secrets.

11. This agreement shall be signed and sealed by the military delegates of the two countries and recognised by the two Governments before it becomes operative. The time for commencing actual military operations shall be decided by the highest military organs of the two countries. This Agreement and all the details arising from this agreement shall become null and void as soon as the military operations of China and Japan against the enemy countries of Germany and Austria come to an end.

12. Two copies of this Agreement shall be written in the Chinese language, and two corresponding copies in the Japanese Language, and each party shall keep one copy of the Agreement in each language.

(TEXT OF THE NAVAL AGREEMENT BETWEEN CHINA AND JAPAN, signed 19, 1918, translated from the Chinese)

1. (Same as Article 1 of Military Agreement.)
2. (Same as Article 2 of Military Agreement.)
3. When the time comes to take action in accordance with this Agreement the two countries shall instruct their naval officers and all officials and people to adopt a friendly attitude toward those of the other country in the military areas, and mutually assist each other with a view to overcoming the enemy.
4. A separate agreement shall be drawn up regarding the field of activity and the duties of the participants when the time comes for taking action against the enemy.
5. When the time comes for action the naval authorities of China and Japan co-operate with a view to taking efficient measures as follows:—

   (a) (Same as 7(a) of the Military Agreement.)
   (b) (Same as 7 (b) of the Military Agreement.)
   (c) In all matters relating to ship-building and repairs and naval equipment and supplies, both countries shall mutually assist each according to its power. This also applies to necessary military articles.
   (d) (Same as Section (f) of Article 7 of Military Agreement.)
   (e) (Same as Section (g) of Article 7 of Military Agreement. Substitute "naval" for "military" whenever used.)
   (f) (Same as Section (h) of Article 7 of Military Agreement.)

6. (Same as Article 9 of Military Agreement, except that "naval" should be substituted for "military" whenever used.)

7. (Same as Article 10, with "naval" substituted for "military.")

8. (Same as Article 11, with "naval" substituted for "military.")

9. (Same as Article 12.)

7th Year of the Chinese Republic, 5th Month, 19th day;

7th Year of the Japanese Ta Cheng, 5th Month, 19th day.

Signed by:
Chairman of Delegates (Chung Chiang) Shen Shen-k'un;
Delegates: (Shao Chiang) Wu Chen-nan;
Delegates: (Shao Chiang) Ch'en-En-tae;
(Chung Hsiao) Wu Kung-tsung;
Chairman of Delegates:
(Shao Chiang) Chi T'ien Tseng Tz'u Liang;
Delegates:
(Tao Tso) I Chi Yuan Chun;
(Tao Tso) Hua Shan K'o Yeh.

EXPLANATORY NOTES REGARDING THE NAVAL AGREEMENT FOR MUTUAL ACTION AGAINST THE ENEMY

I

(Signed May 19, 1918)

The navies of the two countries of China and Japan, looking toward the accomplishment of their mutual efforts in the War, in order mutually to carry out their purpose as outlined in Article 1, are agreed to render each other mutual assistance in the hope that these military efforts may be fully accomplished.

II

Article 5 of the Agreement is explained as follows:

The term "deputies" used in Clause (a) of Article 5 of the Naval Agreement is defined as naval attachés of each Legation, and naval officers stationed in other places, and others to be mutually appointed in case of necessity.

In Clause (c) of Article 5 the term "necessary supplies" shall be defined as "metallic articles." "Necessary military articles" shall be defined as "combustibles, provisions, ammunition such as are required in military operations." They shall be supplied by each country according to its power.

With reference to Clause (e) of Article 5 charts are to be supplied upon the request of either country.

In a place within which military operations are taking place, should it be found necessary by both sides to make surveys and soundings of any bays, such surveys and soundings shall be done by the naval authorities of the country in which the bays are situated.

(Signatures same as on Naval Agreement.)

APPENDIX D

MEMORIAL OF THE "BLACK DRAGON" (JAPANESE) SOCIETY CONCERNING JAPAN'S POLICY IN CHINA

The Chinese Question and the Defensive Alliance

It is a very important matter of policy whether the Japanese Government, in obedience to its divine mission shall solve the Chinese question in a heroic manner *by making China voluntarily rely upon Japan or by forcing her to a position where she is obliged to rely upon Japan.* To force China to such a position there is nothing else for the Imperial Japanese Government to do but to take advantage of the present opportunity to *seize the reins of political and financial power* and to enter by all means into a defensive alliance with her under secret terms as enumerated below:

The Secret Terms of the Defensive Alliance

The Imperial Japanese Government, with due respect for the sovereignty and integrity of China, and with the object and hope of maintaining the peace of the far East, undertakes to share the responsibility of coöperating with China to guard her against internal trouble and foreign invasion, and China shall accord to Japan special facilities in the matter of China's national defense, or the protection of Japan's special rights and privileges, and for these objects the following treaty of alliance is entered into between the two contracting parties:

1. When there is internal trouble in China or when she is at war with another nation or nations, Japan shall send her army to render assistance, to assume the responsibility of guarding Chinese territory, and to maintain peace and order in China.

2. China agrees to recognize Japan's privileged position in South Manchuria and Inner Mongolia, and to cede the sovereign rights of these regions to Japan to enable her to carry out a scheme of local defense on a permanent basis.

3. After the Japanese occupation of Kiaochou, Japan shall acquire all the rights and privileges hitherto enjoyed by the Germans in regard to railways, mines, and all other interests, and after peace and order is restored in Tsingtao, the place shall be handed back to China to be opened as an international treaty port.

4. For the maritime defense of China and Japan, China shall lease strategic harbors along the coast of the Fukien Province to Japan to be converted into naval bases, and grant to Japan in the said province all railway and mining rights.

5. For the reorganization of the Chinese army, China shall entrust the training and drilling of the army to Japan.

6. For the unification of China's firearms and munitions of war, China shall adopt firearms of Japanese pattern, and at the same time establish arsenals (with the help of Japan) in different strategic points.

7. With the object of creating and maintaining a Chinese Navy, China shall entrust the training of her navy to Japan.

8. With the object of reorganizing her finances and improving the methods of taxation, China shall entrust the work to Japan, and the latter shall elect competent financial experts who shall act as first class advisors to the Chinese Government.

9. China shall engage Japanese educational experts as educational advisors, and extensively establish schools in different parts of the country to teach Japanese, so as to raise the educational standard of the country.

10. China shall first consult with and obtain the consent of Japan before she can enter into an agreement with another power for making loans, the leasing of territory, or the cession of the same.

From the date of the signing of this defensive alliance, Japan and China shall work together hand-in-hand. Japan will assume the responsibility of safeguarding Chinese territory and maintaining the peace and order in China. This will relieve China of all future anxieties and enable her to proceed energetically with her reforms, and, with a sense of territorial security, she may wait for her national development and regeneration. Even after the present European War is over and peace is restored China will absolutely have nothing to fear in the future of having pressure brought against her by the foreign powers. It is only thus that permanent peace can be secured in the far East.

But before concluding this defensive alliance, two points must first be ascertained and settled. (1) Its bearing on the Chinese Government. (2) Its bearing on those Powers having intimate relations with and great interests in China.

In considering its effect on the Chinese Government, Japan *must try to foresee whether the position of China's present ruler Yuan Shih K'ai, shall be permanent or not;* whether the present Government's policy will enjoy the confidence of a large section of the Chinese people; *whether Yuan Shih K'ai will readily agree to the*

Japanese Government's proposal to enter into a treaty of alliance with us. These are points to which we are bound to give a thorough consideration. Judging by the attitude hitherto adopted by Yuan Shih K'ai, we know he has always resorted to the policy of expediency in his diplomatic dealings, and although he may outwardly show a friendliness toward us, he will in fact rely upon the influence of the different Powers as the easiest check against us, *and refuse to accede to our demands.* Take for a single instance, his conduct toward us since the Imperial Government declared war against Germany, and his action will then be clear to all. Whether we can rely upon the ordinary friendly methods of diplomacy to gain our object or not, it does not require much wisdom to decide. After the gigantic struggle in Europe is over, leaving aside America which will not press for advantages, China will not be able to obtain any loans from the other Powers. *With a depleted treasury, without means to pay the officials and the army, with local bandits inciting the poverty-stricken populace to trouble, with the revolutionists waiting for opportunities to rise, should an insurrection actually occur while no outside assistance can be rendered to quell it, we are certain it will be impossible for Yuan Shih K'ai, single-handed, to restore order and consolidate the country. The result will be that the nation will be cut up into many parts beyond all hope of remedy.* That this state of affairs will come is not difficult to foresee. When this occurs, shall we uphold Yuan's Government and assist him to suppress the internal insurrection *with the certain assurance that we could influence him to agree to our demands, or shall we help the revolutionists to achieve a success and realize our object through them?* This question must be definitely decided upon this very moment, so that we may put it into practical execution. If we do not look into the future fate of China, but go blindly to uphold Yuan's Government, to enter into a defensive alliance with China, hoping thus to secure a complete realization of our object by assisting him to suppress the revolutionists, it is obviously a wrong policy. Why? Because the majority of the Chinese people have lost all faith in the tottering Yuan Shih K'ai, who is discredited and attacked by the whole nation for having sold his country. If Japan gives Yuan the support, his Government, though in a very precarious state, may possibly avoid destruction. Yuan Shih K'ai belongs to that school of politicians who are fond of employing craftiness and cunning. He may be friendly to us for a time, but he will certainly abandon us and again befriend the other Powers when the European War is at an end. Judging by his past, we have no doubt as to what he will do in the future. For

Japan to ignore the general sentiment of the Chinese people and support Yuan Shih K'ai with the hope that we can settle with him the Chinese question, is a blunder indeed. Therefore, in order to secure the permanent peace of the far East, instead of supporting a Chinese Government which can neither be long continued in power nor assist in the attainment of our object, we should rather support the 400,000,000 Chinese people to renovate their corrupt Government, to change its present form, to maintain peace and order in the land, and to usher into China a new era of prosperity, so that China and Japan may in fact as well as in name be brought into the most intimate and vital relations with each other. China's era of prosperity is based on a Chino-Japanese alliance, and this alliance is the fundamental power for the repelling of the foreign aggression that is to be directed against the far East at the conclusion of the European War. This alliance is also the foundation stone of the peace of the world. Japan therefore should take this as the last warning and immediately solve this question. *Since the Imperial Japanese Government has considered it imperative to support the Chinese people, we should induce the Chinese revolutionists, the Imperialists, and other Chinese malcontents to create trouble all over China.* The whole country will be thrown into disorder and Yuan's Government will consequently be overthrown. *We shall then select a man* from amongst the most influential and most noted of the 400,000,000 of Chinese and help him to organize a new form of government and to consolidate the whole country. In the meantime our army must assist in the restoration of peace and order in the country, and in the protection of the lives and properties of the people, so that they may gladly tender their allegiance to the new Government which will then naturally confide in and rely upon Japan. It is after the accomplishment of only these things that we shall without difficulty gain our object by the conclusion of a defensive alliance with China.

For us to incite the Chinese revolutionists and malcontents to rise in China, we consider the present to be the most opportune moment. The reason why these men cannot now carry on an active campaign is because they are insufficiently provided with funds. *If the Imperial Government can take advantage of this fact to make them a loan and instruct them to rise simultaneously, great commotion and disorder will surely prevail all over China. We can then intervene and easily adjust matters.*

The progress of the European War warns Japan with greater urgency of the imperative necessity of solving this most vital of questions. The Imperial Government cannot be considered as embarking on a rash project. This opportunity will not repeat itself for our benefit. We must avail ourselves of this chance and under no circumstances to hesitate. *Why should we wait for the spontaneous uprising of the revolutionists and malcontents? Why should we not think out and lay down a plan beforehand? When we examine into the form of government in China, we must ask whether the existing Republic is well suited to the national temperament and well adapted to the thoughts and aspirations of the Chinese people.* From the time the Republic of China was established up to the present moment, if what it has passed through is to be compared to what it ought to be in the matter of administration and unification, we find disappointment everywhere. Even the revolutionists themselves, the very ones who first advocated the republican form of government, acknowledge that they have made a mistake. *The retention of the republican form of government in China will be a great future obstacle in the way of a Chino-Japanese alliance.* And why must it be so? Because, in a republic the fundamental principles of government as well as the social and moral aims of the people are distinctly different from that of a constitutional monarchy. Their laws and administration also conflict. If Japan acts as a guide to China and China models herself after Japan, it will only then be possible for the two nations to solve by mutual effort the far East question without differences and disagreements. Therefore to start from the foundation for the purpose of reconstructing the Chinese Government, of establishing a Chino-Japanese alliance, of maintaining the permanent peace of the far East, and of realizing the consummation of Japan's Imperial policy, *we must take advantage of the present opportunity to alter China's republican form of government into a constitutional monarchy which shall necessarily be identical, in all its details, to the constitutional monarchy of Japan, and to no other.* This is really the key and first principle to be firmly held for the actual reconstruction of the form of government in China. *If China changes her republican form of government to that of a constitutional monarchy, shall we, in the selection of a new ruler, restore the Emperor Hsuan T'ung to his throne, or choose the most capable man from the monarchists, or select the most worthy member from among the revolutionists?* We think, however, that it is advisable at present to leave this question to the exigency of the future when the matter is brought up for decision. *But we must not lose sight of the fact that to actually put into execution this policy of a Chino-Japanese alliance and the transformation of the Republic of China into a constitu-*

tional monarchy is, in reality, the fundamental principle to be adopted for the reconstruction of China.

We shall now consider the bearing of this defensive alliance on the other Powers. Needless to say, Japan and China will in no way impair the rights and interests already acquired by the Powers. At this moment it is of paramount importance for Japan to come to a special understanding with Russia to define our respective spheres of influence in Manchuria and Mongolia so that the two countries may coöperate with each other in the future. This means that Japan, after the acquisition of sovereign rights in South Manchuria and Inner Mongolia, will work together with Russia after her acquisition of sovereign rights in North Manchuria and Outer Mongolia, to maintain the status quo, and endeavor by every effort to protect the peace of the far East. Russia, since the outbreak of the European War, has not only laid aside all ill feelings against Japan, but has adopted the same attitude as her allies and shown warm friendship for us. No matter how we regard the Manchurian and Mongolian questions in the future, she is anxious that we find some way of settlement. Therefore we need not doubt but that Russia, in her attitude toward this Chinese question, will be able to come to an understanding with us for mutual coöperation.

The British sphere of influence and interest in China is centered in Tibet and the Yangtze Valley. Therefore if Japan can come to some satisfactory arrangement with China in regard to Tibet and also give certain privileges to Great Britain in the Yangtze Valley, with an assurance to protect those privileges, no matter how powerful Great Britain might be, she will surely not oppose Japan's policy in regard to this Chinese question. While this present European War is going on, Great Britain has even asked Japan to render her assistance. That her strength will certainly not enable her to oppose us in the future need not be doubted in the least.

Since Great Britain and Russia will not oppose Japan's policy toward China, it can readily be seen what attitude France will adopt in regard to the subject. What Japan must now reckon with is America. But America in her attitude toward us regarding our policy toward China has already declared the principle of maintaining China's territorial integrity and equal opportunity, and will be satisfied if we do not impair America's already acquired rights and privileges. We think America will also have no cause for complaint. Nevertheless, America has in the East a naval force which can be fairly relied upon, though not sufficiently strong to be feared. Therefore in Japan's attitude toward America there is nothing really for us to be afraid of.

APPENDIX E

EXTRACTS FROM "A MEMORIAL FOR THE ADVANCEMENT OF GERMAN INTERESTS IN CHINA ISSUED BY THE GERMAN ASSOCIATION OF SHANGHAI."

Table of Contents.

I. The Chinese Market.

1—China's charge of front.
2—Possibilities in China's economic development.
3—The importance of the Chinese Market.
4—The fight for the Chinese Market.
    (a) Natural advantages of our opponents.
    (b) Achievements of our opponents.
    (c) Aid of the Schools.
    (d) Gradual loss of German influence.
    (e) Our mistakes.
    (f) Our prospects.

II. Measures, to win the Chinese Market.

1—Diplomatic and Consular service.
2—Finance.
3—The German Language.
4—A German Chinese School System.
    (a) Middle schools.
        (aa) Middle schools in open ports.
        (bb) Mission middle schools.
        (cc) Point of contact with Chinese elementary schools.
        (dd) Development (of certain schools to the grade of the "Arbiturium" e. g. graduation from German Gymnasium).
        (ee) Number of scholars.
        (ff) Classes for teachers.
        (gg) Schools for girls.
    (b) Technical schools.

5—Students to Germany.
6—Chinese Government schools.
  (a) The German language in Chinese government schools.
  (b) German teachers in Chinese Government schools.
7—General remarks.
8—A translation Bureau.
9—Museums and Industrial expositions.
10—The Chinese Press.

III. *Organization and Cost.*

1—Organization.
  (a) A head office in Berlin.
  (b) A central Committee in China.
  (c) Promotes.
  (d) Private nature (of the enterprise).
  (e) Centralization in Leadership. Decentralization in the work.
2—Costs.
  (a) Amount.
  (b) Method of securing.

IV. *Closing remarks.*

1—The German Merchant in China and his trade.
2—The last opportunity.

APPENDIX

1—Germany's export and import trade with China 1900-1911.
2—Development of German trade with China 1900-1911.
3—China's imports from Germany, England, America and Japan 1905-1911 with percentage of each.
4—German exports to China 1908-1910 grouped by classes of articles.
5—Possibilities for developing German trade.
6—Export trade of Hankow.
7—Antecedents of the higher Chinese officials of the Central Government and of the Provinces.
8—Cost of the technical schools.
9—Cost of the Museums and Industrial expositions.
10—Irritating article regarding Germany from the "Eastern Engineering News."

Of special interest and importance to us as missionaries are the paragraphs dealing with education. (At times I shall translate, at other times summarize.)

After speaking of the national advantages of Germany's Chief Competitors (England, the United States and they say that in a very special degree England, the United States and even Japan, have during the past ten years been carrying on "School and Culture politics." They have spent countless millions (of marks) in these endeavors. Bands of Missionaries and of teachers have invaded the Country. China is flooded with English and American school books. Educational specialists from America travel systematically through China and acquaint the Chinese with the wonders of Modern science as seen through American eyes. The Chinese Press is to a large degree under the influence of our opponents. The English language is to become obligatory in Chinese government schools above the lower elementary grade. Most striking is the comparison of the German with the British and American schools in China. The figures mentioned are:

FOR PROTESTANT MISSIONS:

	Lower Schools		Middle and High Schools.	
	Schools	Scholars	Schools	Scholars
English	1445	32303	241	7552
American	1992	44354	286	23040
German	164	4862	15	523

As if this were not enough, England, and America have gathered ten Million Marks more for Universities in Shantung, Hankow and Hongkong.

FOR CATHOLIC MISSIONS.

Lower		Middle and High	
Schools	Scholars	Schools	Scholars
6877	1263-5	157	6545

A further advantage of America is that 500 Chinese students must yearly be sent to American Universities on the Boxer indemnity fund. England and America can advance their political ends by Culture and Schools, on this liberal scale because they have apparently boundless wealth to draw upon, and because the idealism of their Missionaries and teachers is founded not less on patriotism than on religion.

The paper goes on to say that during the last ten years there has been a noticeable loss in German influence; that ten years ago there was still a chance to extend the German language alongside of English; but that Germany had done nothing to stop the triumphal march of the English language. There is, however, still a chance of stopping it.

Under "Our prospects" it is said the English language has not yet spread so far that Germany cannot hope to catch up with it. Our diplomacy ought to be able to assure the German language of that place in the Chinese Government schools that is its due, and to increase again German influence with the Chinese Government. By a better quality of schools Germany can make up for the quantity of English-American schools. The thoroughness of German methods of work is known to the Chinese, and is witnessed to by the flocking of students to the college in Tsingtau and to the medical and technical schools in Shanghai, that are this year (1913) three or four times as large as last year. Moreover, China will learn to understand more and more, that besides the United States Germany is the only one of the great powers that does not follow a political policy that looks to the annexation of Chinese territory.

MEASURES TO GAIN CONTROL OF THE CHINESE MARKET.

After speaking of the need of reorganization of the diplomatic and consular service, and a more liberal financial policy on the part of Germany the paper turns to the question of the German language. Under this heading it is said:

"The important matter in attaining our goal of capturing the Chinese Market for German Industry, lies in the question whether or not we are determined to take up the fight against the dominance of the English language. One may think what one will about the general truth of the saying that 'trade follows language;' but the truth of the statement regarding China has already been sufficiently proved. Germany can, therefore, not delay in spreading the German language and German culture in influential Chinese circles. Only so can the caricature of Germany, which thanks to the lack of scrupulousness of our competitors, has become firmly fixed in the minds of the Chinese, be destroyed and place be made for the view that Germany needs to stand behind no one in the world, but, is called to play a leading part in the life of the world.

"The situation is not yet one in which our endeavors need to be looked on as without a prospect of success. It is true that the English language has a decided advantage, but the dominance of the English is, in comparison with the greatness of the Chinese nation only in the elementary schools, and can still be overcome by timely opposition measures. The prospects favorable to the spread of the German language lie chiefly that Germany is recognized by all as the language of science, and therefore seems to be destined rather than other languages to furnish China with the means for completing her internal organization. It is true that there is no immediate prospects of our securing a number of teachers and scholars, equal to those of England and America, for organizations of this kind are not procurable on demand; but up to a certain degree we are in a position, by an education of better quality to equalize the advantage gained by the larger quantity of the schools of our opponents. The strength of English and American schools has thus far consisted more in the number than in the quality of the culture given. Moreover, these schools have wasted much valuable energy by drawing without distinction from all classes of society. We would confine ourselves to those circles which are destined to play a leading part, namely to the upper strata of the intellectual and commercial classes, and to take into our field of endeavor only those provinces, on which depend the future economic development of the country, and which produce the strongest men both in intelligence and character. In this we can overcome, at least in part, the quantitative advantages of our opponents. From this point of view the following ten provinces would be those probably to be dealt with: Chili, Shantung, Shansi, Hunan, Hupeh, Szechuen Kiangsu, Chekiang, Yunnan and Kwangtung.

We should formally as far as it accords with our aim fall in line with the general plan, curricula, and regulations of the Chinese government schools, so as to smooth the way for recognition by the Chinese Government.

There follows an outline of a German School System for China and the cost of maintaining the same.

	Expenses	
	Initial	Annual
1. Nine Middle Schools in Treaty Ports.... (Shankhai, Hankow, Tientsin, Tsinanfu, Canton, Nanking, Chungking, Changsha, Peking)	$ 380,000	$ 162,000
2. Thirty-five Mission Middle Schools ..... (in case the Missions will fall in with the general plan)	1,050,000	420,000
3. Subsidy to ninety Elementary schools in cities (that would teach German).......		20,250
4. Subsidy to 350 Elementary schools in the country		35,000

	Expenses Initial	Expenses Annual
5. Extra expenses to develop to college grade ("Arbiturium") three of the Middle schools		$ 30,000
6. Extra expenses for normal education of teachers (in three centers)		30,000
7. Schools for girls		25,000
8. Five technical school	$ 900,000	270,000
9. Maintaining 300 students in Germany and 10 traveling to and fro each year		235,000
10. Teachers in Chinese Schools		150,000
11. Translation Bureau	40,000	70,000
12. Eight Museums and Industrial expositions	144,000	80,000
13. Traveling Lecture Ships		40,000
14. Press		150,000
15. Organization, Head Office, Office in China, Promoters		50,000
	$2,514,000	$1,769,250

Proposed Means for Securing the Money

The difficulty of raising this money is not minimized, but it is thought to contain no unsurmountable difficulties.

Two plans are proposed.

Either the formation of an "Auslands Kultur Verein" which should seek to secure small subscriptions from a very large number of members throughout German, or failing the successful launching of such an organization the reliance on Government action. It is suggested that a portion of the annual payment of ten million marks to Germany from the Boxer Indemnity could be devoted to this end.

The reason for desiring to work through the Missions in establishing Middle and Elementary schools is that this course is necessitated by the fact that only missionaries can reside and carry on work in the interior away from the treaty ports. The paper says: "Only in their outward form should they be really Mission Schools, in their inner organizations they could be something between a mission school and another kind of school." Professional teachers will be necessary and they will divide the work in a suitable way with the missionaries. Moreover, these schools would have to stand in a special relation to the Mission, as they would be under a special organization with its school inspector, and also because the religious element would be of secondary importance to the national. If participation in the religious instruction is made obligatory it is to be feared that just those classes of society, upon which we lay special emphasis, will not send their children to these schools. From the purely religious point of view the standpoint here put forward may seem somewhat questionable, but from our point of view it does not make so much difference, to gain new adherents to the Christian Church, but, much more to develop strong moral personalities.

We recognize that in asking the missions to take this conception of their work we are requiring them to make a sacrifice, but on the other hand, the American and British Missionaries go considerably farther than this in placing national before religious ends, going at times so far that the Commercial point of view stands in the foreground; and on the other hand our German missionaries recognize their duties to propagate German national ideas. Moreover, the Missionaries, without doing violence to their calling, could take part in the system of schools herein proposed, inasmuch as an objective education which emphasizes above all a thorough moral instruction, prepares the way for Christian teaching.

Thus the Y. M. C. A. admit many non-Christians to their membership. Fortunately also the Catholic Mission in Shantung and several of the Protestant Missions do not make the participation of their scholars in religious instruction a sine qua non of admission to their schools. We should give up our existing prejudices against the Missions. It has been a serious mistake that we have thus far co-operated so little with them. On no account can we dispense with the Capital of idealism developed in Missionary circles."

Speaking of the German language in Government schools it is said that one must start from the premise that foreign schools in China, as in Japan, are only temporary in their nature and will before long be forced out by the Chinese Government or be taken over by it. If the German Schools are developed into Model institutions, as is planned, could count on their being taken over in a reasonable time by the Chinese. "But we shall be able to reap the fruit of our Endeavors only if we take care NOW that the German language is accorded the same place in Government schools as the English language. Otherwise, as soon as our direct control of the institutions founded by us, ceases, we shall have to see

England and America reap where we have sowed. The question of how we can at the present time assure to the German language that place in Chinese government schools, which belongs to it, appears to us to be of the utmost importance, and of at least equal significance with the development of our whole German Chinese school system. Our diplomacy should, therefore, leave no means untried, to put through our endeavors in this domain. It is very evident, what all of this means for us. With one blow would be secured to the German language a determining influence, if we could in this way gain a foothold in China's widely branching school system set about this is really a political question, that cannot be judged from here, but it can be seen with certainty, that we could meet the Chinese in many other fields, if we could only gain success here.

In this matter too much is at stake for us to be satisfied with Compromises. Whoever thinks that anything of value has really been gained with the recently promulgated school regulations, in accordance with which German is to be made the leading language in the Medical Schools and of equal importance with English in the technical schools and in Agriculture and Forestry, shows that he is not sufficiently acquainted with the situation. Such concessions are easy to make on paper, but are of no real significance in practice. So long as English is made the only obligatory language in the middle schools, the scholars will study German only in exceptional cases. Of what value is it then to us, that in the universities or technical schools German is taught in certain branches, when there is a lack of scholars, adequately prepared in this language. The heart of the question lies in the fight for the Middle schools. What *must* be gained is that the German Language be given an equal place with English as obligatory in middle and technical schools, in colleges and normal schools. We think we can ignore the Elementary schools in which the students remain only until the 11th. year.

Under the head of the Chinese Press, after speaking of the Anti-German tone of other papers, and commending for its good work the "Hsieh Ho Pao" a German paper published in Chinese, the pamphlet advocates that a telegraphic service be established to some twenty places in the interior of China and counteract the influence of Reuter's service.

Under the "concluding remarks" it is said: "Once more, and probably for the last time is the opportunity afforded us to take a hand in the course of events. If advantage is not taken now, England, America and Japan will obtain such a lead that we may as well give up the competition. To call attention to the seriousness of the situation, and to the heavy dangers, which the situation offers for Germany is the object of this pamphlet. To work with small and insufficient means is valueless and means only waste of time, strength and money. It is very plain that we have the choice of only two alternatives, either to look at the Chinese market as a lost position, where Germany, like to a state of second rank, can carry on a limited trade through the medium of the English language, or else we must put forth our strength to the utmost, maintain a "School and propaganda politic" on a large scale, and so safeguard for ourselves a part in China's economic development in keeping with our importance and the demands of our own future."

German Association:
C. Michelau — Rud. Mahnfeld
Chairman — Secretary.

Shanghia, April, 1913.

APPENDIX F

COLLECTION OF LAWS AND REGULATIONS OF THE RUSSIAN GOVERNMENT PUBLISHED BY THE RULING SENATE

9 January 1915 *No. 10* *First Part*

Index:

69 Regarding the Agreement of the treatment of the British Subjects dealing in the Zone of the Chinese-Eastern Railway, as per Municipal Orders and Obligations.

His Majesty's Rescript for the Ruling Senate by the ministry of Justice.

The Minister of Foreign Affairs has informed the Minister of Justice, that regarding His Majesty's Rescript of the 12th November 1914, our minister in Peking has an exchange of Notes 20 November/9 December with the minister of Great Britain, regarding the Agreement worked out at Harbin for the treatment of British Subjects dealing in the Zone of the Chinese-Eastern Railway as per Municipal Orders and Obligations.

According to it the Minister of Justice has offered to the Ruling Senate for the publication of the copies of the Notes with the Text of the Harbin Agreement (Our Note in Russian and French languages and the Note of Great Britain in English and Russian).

The Note of the minister of Great Britain at Peking to the Russian minister in the same town, dated 20 November/9 December 1914.

Sir and dear Colleague,

I have the honor to inform Your Excellency that the British Majesty's Government have had under consideration the draft Agreement recently negotiated and signed in English and Russian languages on the 17/30 April 1914 by the British Consul at Harbin and the local Russian Authorities respecting the inclusion of British Subjects and their property within the scheme of the

Municipal Administration and Taxation established in the Zone of the Chinese-Eastern Railway.

I have now received instructions from Sir E. Grey stating that His Majesty's the Great Britain Government approved this Agreement. I therefore have the honour to inform you that as soon as I learn that the Imperial Russian Government on their part have approved this Agreement I will undertake the necessary steps to enforce its regulations upon the British subjects concerned in same, beginning from the 1st January next.

(This Agreement was made applicable to British subjects by "King's Regulations" (No. 20 of 1914) published by the British Minister at Peking, December 5th 1914.)

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(signed) J. N. Jordan.

The Note of the Russian minister at Peking to the minister of Great Britain in the same town, dated 20 November/9 December 1914.

Sir Ambassador and dear Colleague,

I have the honour to inform Your Excellency of the receipt in due course of your Note of even date in which you have informed me, that the Government of Great Britain has approved the project of Agreement, which recently was worked out in Russian and English languages and signed at Harbin 17/30 April a. c. by the local Authorities and British Consul in said town, respecting the inclusion of British Subjects and their property within the scheme of the Municipal Administration and Taxation established in the Zone of the Chinese-Eastern Railway. At the same time you have informed me that your Government will undertake the necessary measures in view to facilitate the enforcement of the regulations of the present Agreement upon the British Subjects interested in same, beginning from January 1st next, as soon as you will receive from me the information that the Imperial Russian Government has confirmed said Act.

Taking into consideration this information, I have the honour to inform you, that I am entitled by the Imperial Russian Government to inform Your Excellency that the same has likewise confirmed the said project of Agreement.

Please accept, Sir Ambassador and dear Colleague, my best consideration and respect.

(signed) B. Kroupensky.

AGREEMENT

Between the Russian and British Governments respecting the inclusion of British subjects within the scheme of Municipal Administration and Taxation established in the area of the Chinese-Eastern Railway.

ARTICLE 1.

The Imperial Russian Government having declared that all taxes and dues collected in the Railway Settlement at Harbin and in other Settlements situated in the area of the Chinese-Eastern Railway shall be exclusively devoted to municipal and public purposes for the common benefit of the inhabitants of these places, His Britannic Majesty's Government agrees to the payment by British Subjects residing in the Railway Settlement at Harbin and in other Settlements situated in the area of the Chinese Eastern Railway of the same dues and taxes, whether levied in money or in kind, which are paid by Russian Subjects. His Britannic Majesty's Government further agrees that the payment of the said dues and taxes and the observance of the local Regulations and Byelaws, of which a list is hereunto annexed, shall be made obligatory upon the aforesaid British Subjects from 1 January 1915, and, in like manner, undertakes to make binding upon British Subjects from the day upon which they take effect for Russian Subjects any additional or amended Regulations and Byelaws of a similar kind, provided that due notice of their intended introduction is given and that nothing is contained therein which conflicts with the extra territorial rights of British Subjects. It is agreed that the length of such notice shall in the case of new or amended Regulations be two months and in that of new or amended Byelaws two weeks.

ARTICLE 11

In consideration of the foregoing, British Subjects residing in the Railway Settlement at Harbin and in other Settlements situated in the area of the Chinese Eastern Railway shall have the active and passive right of election to the local Municipal Administrations, both those now existing and those hereafter established, and shall exercise this right, like Russian Subjects, in accordance with the stipulations of the local Municipal Regulations. At Harbin, also, there shall be introduced into the Municipal Council consisting, in all, of six members, the term of whose office is three years, a representative of the foreign (non-Russian) community who shall be a foreign (non-Russian) resident of good standing, the manner of whose election shall be as follows: The resident representatives, having full Consular jurisdiction, of those Foreign Powers exclusive of Russia who have obliged their nationals to pay taxes and observe the local Regulations and Bye-laws in accordance with the stipulations to this Agreement shall—in consultation amongst themselves, the opinion of the majority to prevail—prepare and present in good time to the Manager of the Chinese Eastern Railway for transmission to the Municipal Council a list containing the names of not less than three and not more than five persons from amongst whom the Assembly of Delegates shall elect by an ordinary majority vote—lots to be cast in case of even ballot—the representative in the Municipal Council of the foreign (non-Russian) community. The election of this Councillor shall be simultaneous with that of other members of the Council and the term of his office shall be concurrent with theirs. Should he resign or be dismissed before the expiration of this period, the Assembly of Delegates shall at the ordinary meeting occurring next after the preparation by the aforesaid Consular representatives of a new list, elect in the manner before stated, another member to serve for the remainder of the current term. The dismissal before his period of service has expired of a member of the Council elected in the method above described shall not be effected except with the consent of a majority of the Consular representatives aforesaid.

The member of the foreign community for the present triennial period shall be elected in the manner before stated at a supplementary election which shall be held not later than two weeks after the presentation to the Manager of the Chinese Eastern Railway by the Consular representatives of the prescribed list of names.

ARTICLE III

British Subjects residing in the Railway Settlement at Harbin and in other Settlements situated in the area of the Chinese Eastern Railway shall—as regards all matters of an economic character, more especially such as relate to trade and industry and leases of land lots—enjoy the same rights and privileges as Russian Subjects. This equality shall also avail should, in the future, the present restricted rights to land be at any time enlarged or should lessees of land lots or owners of houses be the recipients, on the lapse or termination of the Chinese Eastern Railway Company's holding, of compensation of whatever kind.

ARTICLE IV

It is agreed that, should objections be raised by British Subjects regarding the amount of the assessment tax on commercial and industrial enterprises exploited by them, their affidavits made before the British Consular Representative as to the size and character of the said enterprises shall be accepted in definite proof.

It is agreed, also, that permission shall not be given to British Subjects to open, establish or maintain hotels, boarding or eating houses, houses of entertainment or shops for the sale of liquors except on production of a permit issued for the purpose by the British Consulate.

ARTICLE V

It is agreed that the Police Authorities in Harbin and in other Settlements situated in the area of the Chinese Eastern Railway shall give prompt effect to any requests preferred by the British Consular Representative for the adoption of coercive measures against British Subjects, but Officers of the force shall not, on their own initiative and in the absence of such requests, take any coercive action against British Subjects except in cases involving a breach of the peace.

ARTICLE VI

British Subjects shall be entitled to the benefit of any more favoured treatment which may be accorded by the Imperial Russian Government to the Subjects or Citizens of other Foreign Powers resident in the Railway Settlement at Harbin or in other Settlements situated in the area of the Chinese Eastern Railway.

ARTICLE VII

The Imperial Russian Government undertakes that the Regulations and Byelaws, of which a list is hereunto annexed, shall be brought into accord with the stipulations of this Agreement by the date mentioned in Article I.

We, the undersigned, hereby certify that the foregoing is the Draft Agreement concluded between us regarding the inclusion of British Subjects within the Scheme of Municipal Administration and Taxation established in the Area of the Chinese Eastern Railway.

Harbin, April 17/30 1914.

(Signed):

W. TRAUTSCHOLD, Imperial Russian Consul General.

E. DANIEL, Delegate of the Chinese Eastern Railway Administration.

H. E. SLY, His Britannic Majesty's Consul.

OUR NATION IN THE BUILDING

By HELEN NICOLAY

Author of "The Book of American Wars," etc.

Of the period of national shaking together and development the author writes almost as if she were an eye-witness. Leaving cheerfully behind the old, dry, statistical method of writing history, Miss Nicolay tells about what happened, who did it, and what the rest thought of it—as informally as if she were gossiping over the teacups. The reader looks on at great movements and at great blunders, gets a feeling of tremendous ideals side by side with comical absurdities, catches glimpses of the new Capital—Washington in the making; sees society under the Adamses and other early Presidents, with its rivalries and jealousies; the beginnings of invention, the approach of the Civil War, etc.

Miss Nicolay, as the daughter of Lincoln's famous secretary and biographer, has mingled all her life in the political society of the Capital, and has an instinctive understanding of public affairs. She describes the romance of our early days, their men and women, their events, developments, causes, movements, with the sure eye and hand of a witty and penetrating woman of the world, who knows how to distil from old documents all that is quintessentially human. She cares less for dates than happenings, less for specific happenings than for movements and currents of feeling. Her reason for writing this book is to emphasize the fact that there is nothing mummy-like about American history, however much historians may have made it seem so, but that it is full of inspiring incident and brimming with human nature.

Some of the chapter-titles are: "An Idol's Successor," "A Baleful Don Quixote," "The Opening West," "A Democratic Despot," "Giants in Congress," "As Others Saw Us," "Roads of the Promised Land," "The Red Menace," "Women in a Free Country," "Religion in a Republic," "America's War of Conquest," "The Seers and the Prophets." The book contains sixteen full-page illustrations.

Octavo, 521 pages, illustrated
Price $2.50

At All Bookstores
Published by **THE CENTURY CO.** **353 Fourth Avenue**
New York City

PEKING DUST

By ELLEN N. LA MOTTE

Author of "The Backwash of War," etc.

This is a book of memorable sketches of modern China, which gives at once the color and feel of the China of the Twentieth Century and lays bare the incredible bullying and robbing of a great but weak nation by most of the strong nations of the world. Miss La Motte has lived in China, and she has enjoyed unusual opportunities of observation. The book is in the form of letters; and the style is intimate and easy and colorful, and yet marked by unusual fire, vigor and distinction.

In these letters, interspersed between descriptions of parties at the Legation, camel caravans, temple fairs and a picture of "all diplomatic Peking scrambled together at the race course," the writer describes several interesting events which have not been dwelt upon by the American press—the French "occupation" of Lao Hsi Kai, the betrayal of China by her vice-president to the Shanghai Opium Combine, and the events which preceded China's declaration of war. Going to China from a Europe ringing with the phrases "Justice, Liberty and Civilization," the author was struck by certain discrepancies in the application of these principles to the Far East. The book gives an amusing, ironic picture of "Civilization" as seen from the back.

12mo, 240 pages
Illustrated with photographs
Price, $1.50

At All Bookstores
Published by **THE CENTURY CO.** **353 Fourth Avenue**
New York City

STAKES OF THE WAR

By LOTHROP STODDARD *and* GLENN FRANK

This book is a clearly outlined summary of the facts involved in the problems of race and territory that were the stakes of the war; the problems, for example, of Belgium, the Ukraine, the Yugo-Slav territories, Finland, the Baltic Provinces, Poland, Serbia, Mesopotamia, Syria, etc. The facts of each problem are so arranged that, even though the reader has little previous knowledge of the subject, he can get a complete and well-balanced idea of the issues involved.

In the presentation of each territorial section, there is given a short historical background, an economic survey, and a clear analysis of the facts that one most desires to know; such facts as, the location, the different races comprising the population, what nation has controlled or occupied the territory, the political, economic, strategic, racial, cultural and religious interests that various nations have in it, and a summary of the various solutions that have been proposed. In summarizing the solutions that have been proposed, the authors have not expressed their personal opinions but have simply listed what the proposers of and objectors to each solution have argued.

The book is well provided with maps that visualize the text matter. Each chapter is provided with a black and white outline map of the territory discussed. Three large general maps in colors show the whole field covered by the book; and there are political, racial and economic maps.

8vo, 377 pages
Thirteen political, racial, and economic maps
Price, $2.50

At All Bookstores
Published by
THE CENTURY CO.
353 Fourth Avenue
New York City

THE ROOTS OF THE WAR

By WILLIAM STEARNS DAVIS

In Collaboration with William Anderson and Mason M. Tyler

This book undertakes to outline the circumstances that made possible Germany's inconceivably daring attempt to achieve at one, or, at most, two or three ruthless and gigantic strokes of the sword, the establishment of a world empire, an Empire of Teutonia, indescribably vaster, richer, more universal than that of imperial Rome.

President Wilson, himself a historian, has said: "You can explain most wars very simply, but the explanation of this war is not so simple. Its roots run deep into all the obscure soils of history."

It is to discover some of these roots and their fateful growth that this book was written. It covers especially the period from 1870 to 1914, with background references of course to proceeding European history.

The authors say in their preface: "By general consent the period of history which ended in 1914 saw its beginning in 1870 when the Prussian militarists won their original triumph over France, thereby establishing a precedent for the use of armed force as a wise supplement to flagging diplomacy, a precedent that was to be applied with incalculable effect upon a much greater field of action forty-four years later. During this interval a great many national and international forces were acting simultaneously which all together helped to produce the climax of Armageddon."

12mo, 557 pages, 6 maps
Price, $1.50

At All Bookstores
Published by **THE CENTURY CO.** **353 Fourth Avenue**
New York City